

# The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, JULY 27, 1933



CONFIDENCE fills the Nation. The pulse of business quickens. Strong, dependable, experienced, the U. S. F. & G. stands ready to give agents and brokers every assistance in writing—and servicing—the business that will become available with the revival.

## USF & G

UNITED STATES FIDELITY AND GUARANTY COMPANY

*with which is affiliated*

## F & G FIRE

FIDELITY AND GUARANTY FIRE CORP.

*Home Offices:*

BALTIMORE, MARYLAND

**"WESTERN AND  
SOUTHERN GROUP"**

**THE  
WESTERN and SOUTHERN  
INDEMNITY COMPANY**  
**Policyholders Surplus - -**  
**\$1,506,656.98**  
**ALL SECURITIES VALUED AT MARKET  
DECEMBER 31, 1932**  
**CHARLES F. WILLIAMS, PRESIDENT  
CINCINNATI, OHIO**

**THE  
WESTERN and SOUTHERN  
FIRE INSURANCE CO.**  
**Policyholders Surplus - -**  
**\$493,330.74**  
**ALL SECURITIES VALUED AT MARKET  
DECEMBER 31, 1932**  
**Address—  
WILLIAM C. SAFFORD, GENERAL MANAGER**

# AMERICA FORE STATEMENTS SHOW AMERICA FORE STRENGTH

(STATEMENTS AS OF JUNE 30th, 1933)

	Gross Assets*	Reserve for Unearned Premiums	Reserve for Losses and All Other Claims	RESERVE FOR CONTINGENCIES	Cash Capital	SURPLUS FOR POLICYHOLDERS
Continental.....	\$81,971,644	\$22,147,000	\$6,100,652	\$14,000,000	\$4,873,990	\$39,723,992
Fidelity-Phenix.....	64,799,255	17,419,204	4,942,755	12,500,000	3,464,825	29,937,296
Niagara.....	21,439,117	5,946,956	1,173,923	2,700,000	2,000,000	11,618,238
American Eagle.....	12,563,573	3,687,686	868,564	775,000	1,000,000	7,232,323
First American.....	3,981,415	898,119	193,106	450,000	1,000,000	2,440,190
Maryland.....	2,746,042	357,344	67,015	475,000	1,000,000	1,846,683
Fidelity & Casualty.....	38,167,624	11,677,710	15,008,556	4,900,000	2,250,000	6,581,358

\*Bond and Stock valuations on basis approved by National Convention of Insurance Commissioners.

With a combined policyholders' surplus of almost one hundred million dollars and a record of unquestioned stability through depression and disaster — you can feel absolutely secure in placing your clients' insurance in any America Fore company.



Chairman of the Boards.

PROVED BY THE ACID TEST OF TIME

## The AMERICA FORE GROUP

THE CONTINENTAL INSURANCE COMPANY  
AMERICAN EAGLE FIRE INSURANCE COMPANY  
FIDELITY-PHENIX FIRE INSURANCE COMPANY  
FIRST AMERICAN FIRE INSURANCE COMPANY

*Eighty Maiden Lane,*



## of Insurance Companies

NIAGARA FIRE INSURANCE COMPANY  
MARYLAND INSURANCE COMPANY OF DELAWARE  
THE FIDELITY AND CASUALTY COMPANY

ERNEST STURM, Chairman of the Boards  
BERNARD M. CULVER, President

*New York, N.Y.*

NEW YORK CHICAGO SAN FRANCISCO

ATLANTA DALLAS MONTREAL

# NORWICH UNION

## SUBSTANTIAL

past performance  
progressive management  
and demonstrated  
service are factors  
which commend the  
**NORWICH UNION**  
to successful agents.

**NORWICH UNION**  
**FIRE INSURANCE SOCIETY, LTD.**  
75 Maiden Lane, New York

*Hart Darlington, Manager*

**Eagle Fire Company**  
**of NEW YORK**

*Incorporated 1806*

75 Maiden Lane, New York

*Hart Darlington, President*

*The Oldest New York Insurance Company*

**NORWICH UNION**  
**INDEMNITY COMPANY**

75 Maiden Lane, New York

*Hart Darlington, Chairman of the Board*  
*H. L. Callanan, President and General Manager*

*In NORWICH UNION there is strength*

# COMPANIES



# The National Underwriter

Thirty-Seventh Year—No. 30

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JULY 27, 1933

\$4.00 Per Year, 20 Cents a Copy

## Whisky Gambling Vexes Insurance

Distillers and Owners Demand Higher Maximum Coverage Than Now Allowed

### WANT \$200 PER BARREL

Speculative Market for Green Whisky Drives Prices Far Beyond Valued Policy Limits

LOUISVILLE, KY., July 26.—As a result of the increasingly good prospects of repeal of the 18th amendment whisky values have been jumping rapidly, due to various northern and eastern interests coming into Kentucky and buying up new or old whiskies, permits to make whisky, distillery properties, etc.

Distillers and owners of whisky are demanding much higher coverage per barrel than the maximums permitted under the valued policy form, coinsurance, adopted May 9 by the Kentucky Actuarial Bureau.

Whisky owners are arguing for coverage of around \$200 per barrel under one year of age; \$225 per barrel for 1 to 2 years; \$250, 2 to 3 years; \$275, 3 to 4 years; \$300, 4 years or older; made prior to 1917, \$400. In some instances efforts have been made to insure new whisky, just made and going in bond, for \$300 a barrel.

#### Prices Are Out of Line

Such prices are apparently out of line and represent speculative values. A few weeks ago distillers were trying to sell some brands to druggists at \$27 per case for five cases and throwing in a free case. Today, prices have been withdrawn in that distillers are not eager to sell. One concern was quoting \$55 a case of 24 pints, or three gallons, when it withdrew prices. Another was asking around \$40 a case, but refused a sale of 1,000 cases to New York brokers at \$40 a case, in that it only desired to take care of its regular retail drug trade.

Distillers are not eager to sell whisky to blenders, rectifiers, jobbers, etc., who after getting delivery following repeal would come in as competitors. It is said they plan to do their own blending and rectifying and make such profits themselves, instead of allowing others to do it.

#### Shortage of Old Whisky

All kinds of offers are being made for old whisky as well as new, which could be blended and increased by use of cologne spirits.

As against a consumption of 140,000,000 to 165,000,000 gallons of whisky per year prior to prohibition, there is today only about 14,000,000 gallons of whisky in bonded warehouses of the country, including new and old, which indicates

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## Wholesale Canceling to Liquidate Balances Grows

### COMPLICATIONS ARE CAUSED

Other Companies in an Agency Now Demand Payment for Broken Term Lines

The practice of companies and field men in canceling wholesale the business of an agency in order to liquidate delinquent balances seems to be increasing. Although the evils of this course are recognized, companies often blind themselves to the bad general effect and adopt this plan in individual agencies because it seems to be the quickest and easiest solution. In some cases, the business is canceled flat, whereas in other cases, the canceling company insists on collecting the earned premium from the agent.

When a company clears out from an agency in this manner, the other companies in the agency are likely to be imposed upon. Therefore most companies are on their guard when an abnormal amount of new business is turned in from an agency or where they are asked to assume a large number of broken term lines. One company, for instance, has instructed the examiners and field men to inquire into the reasons prompting such transactions. If the risks are acceptable, this company's rule is that payment of the premium involved should be demanded with the account in which it is charged. To facilitate collections, the examiner when passing such daily reports, should advise the agent accordingly and furnish the accounts department with a copy of his letter, so that the latter may follow up the demand.

#### W. Va. Ruling Welcomed

The recent ruling of the West Virginia department requiring a company to tender return of the unearned premium when making such cancellation, is generally approved by the companies.

Another cancellation question affecting companies is the procedure where the cooperation of a delinquent agent cannot be obtained. The companies hesitate to cancel direct, although the threat is often made in dealing with an obdurate agent. One company has developed a form letter, which is used in direct communication with the assured, but which does not incriminate the agent or necessarily reflect upon him. The letter is sent out after unsuccessful efforts to collect an old balance and failure to receive from the agent a list of policies uncollected for and the letter is sent to all policies included in the unpaid accounts current. The letter reads:

"The records of this company are at present being audited and we have been requested to verify the outstanding balances of — our local agent at —."

"Among certain unpaid balances we note No. — issued to you on — and payable to —, as mortgagee."

"Please be good enough to confirm our understanding that the premium under the policy referred to has not been paid."

"If we are laboring under a misapprehension, will you kindly advise us on

## Expect More States to Call for Lists of Delinquents

### FOUR HAVE DEMANDED DATA

E. U. A. Instructs Stamping Offices to Warn Agents in Default of the New Requirements

NEW YORK, July 26.—In conformity with the resolution adopted by the National Convention of Insurance Commissioners last June, urging that "each commissioner shall require a statement under oath from each company as of Oct. 1, 1933, and quarterly thereafter a list of all agents and brokers who are in arrears in the payment of any balances on policies issued more than 90 days prior thereto," requests for such data have already been made by Alabama, Connecticut, District of Columbia and West Virginia and the belief is that additional states will be heard from shortly.

To avoid duplication of effort and expense the Eastern Underwriters Association will, on behalf of its member companies, notify through local stamping offices all agents and in so far as possible, brokers in each of the states under its jurisdiction that may require such reports of the regulation, and will urge that all necessary steps be taken to liquidate overdue accounts.

Notice of the regulations will be sent only to the small percentage of agents who are delinquent. Care will be exercised so as to avoid warning those whose balances are up to date, as the companies do not want to offend such agents.

In having notices issued through stamping offices, danger of giving offense would be avoided; the advices being general as to all companies and not specific as to individual offices. Possibly some companies, however, may address their representatives direct.

what date and to whom the premium was paid and if you have a receipted statement therefor."

#### Plan for Blue Goose Meeting

Plans are now being perfected for the annual meeting of the grand nest of the Blue Goose at the Royal York hotel, Toronto, Aug. 22-24. E. R. Liversidge, 2100 Metropolitan building, Toronto, who is wielder of the Ontario pond, is making hotel reservations. Undoubtedly there will be a large attendance from Canada in honor of the occasion.

## M. L. Brown Made Head of Executive Committee

Secretary Jess G. Read of the National Convention of Insurance Commissioners has announced the election of Commissioner Merton L. Brown of Massachusetts as chairman of the executive committee. Mr. Brown succeeds J. B. Thompson, former commissioner of Missouri, who has retired.

## Code for Clerical Help is Pondered

Insurance People Confer on White Collar Requirements

### PROBLEMS ARE INVOLVED

Most Companies Employ Apprentice Help at Less Than Minimum Wage Prescribed

NEW YORK, July 26.—Now that insurance offices are faced with the necessity of complying with a code for salaried employees, certain complications have developed which are causing insurance people more trouble than they anticipated in this connection. When word first got out that a code would be promulgated for white collar workers, the assumption in insurance circles was that existing working conditions in the business would be far in excess of the minimum requirements of the code, which are a 40-hour week and a \$15 minimum wage in cities over 500,000; \$14.50 in cities 250,000-500,000; \$14 in cities 2,500-250,000.

In towns of less than 2,500 no minimum wage is set, but all salaries under \$12 are to be increased to that amount except where to do so would require an increase of more than 20 percent.

The code does not prohibit employers from raising all salaries under ten dollars to the proposed level of \$12 but it does not make this mandatory in cases of salaries of less than ten dollars.

The code provides for a maximum working week of 40 hours but concerns operating more than 40 hours prior to July 1 are to continue to operate at former hours, with a minimum of 52 hours set for concerns operating that long or longer heretofore, the requirement being that either additional employment be provided or hours of employees staggered.

However, many insurance offices now find that their existing schedule calls for more than 40 hours a week and that there are a good many employees getting less than the minimum. Most companies have a certain number of employees getting \$10 or \$12 a week, many of them boys and girls serving somewhat as apprentices. A good many companies take boys and girls just after they have finished school, making more or less of an investment in them. These young people know nothing about the business and are not very useful at first. The companies feel that this class of help would be overpaid at \$15 a week and under that scale discrimination would be shown against seasoned employees. Then there are offices located in smaller towns, where the employees live and have their lunches at home. In these places, a salary of \$10 a week is perhaps more than equivalent to a

(CONTINUED ON PAGE 11)

## Home Is the San Francisco Premium Leader This Year

BASED ON PATROL FIGURES

Half-year Figures Given for Companies in San Francisco Compared with Last Year

SAN FRANCISCO, July 26.—A decrease of \$342,306 or 15.5 percent in fire premiums written in San Francisco the first six months of 1933 compared with same period last year is shown in the semi-annual report of the Underwriters Patrol, which shows total figures of member companies for the period to be \$1,854,296 compared with \$2,196,612 for 1932.

The Home of New York, which took second place last year, leads with \$79,529 compared with \$82,150 in 1932, while the Firemen's of Newark, which was first in 1932, takes second place with \$76,449 against \$96,733 last year. The Fireman's Fund takes third place, jumping from fifth last year with figures of \$69,721 against \$76,169. Among the leading companies the largest gain was registered by the Agricultural in the office of Edward Brown & Sons, which shows \$31,454 this six months against \$13,307 last year. Other companies registering gains include: Royal, North British, Merchants Assurance, London Assurance, Security of New Haven, Travelers, Fidelity-Phenix, Phoenix Assurance and United Firemen's. Leading companies in addition to the Home, Firemen's and Fireman's Fund, with figures for the first six months of 1933 and 1932 are:

	1933	1932
Aetna	\$65,738.37	\$69,737.87
North America	59,384.93	59,668.97
Royal	58,373.32	42,396.00
Continental	55,145.78	79,805.25
L & L & G	54,179.68	80,688.30
Hartford	50,331.86	58,635.61
United States	45,370.24	51,319.11
North British	42,874.93	24,761.75
Merchants Assur.	40,664.99	35,498.01
California	33,569.89	39,599.94
Agricultural	31,454.48	13,307.52
London Assur.	31,103.57	29,183.61
Millers National	30,548.63	28,821.47
Secur. New Haven	29,747.89	28,821.47
Fire Association	28,423.68	45,907.74
London & Lanc.	28,137.75	28,789.27
Atlas Assurance	26,357.39	27,197.43
Travelers	24,454.66	21,604.79
Oglethorpe Und.	23,440.00	28,865.00
Niagara	23,098.74	39,839.83
Fidelity Phenix	21,225.38	19,057.79
Phoenix Assurance	21,088.84	19,038.29

## Factory Mutual Windstorm Losses Largest in History

The factory mutual companies report that in the first five months of this year, 438 reports of damage because of windstorm were received from assureds, which was more than in any similar period since windstorm coverage was first included in the factory mutual policies in 1913. Only four losses are expected to exceed \$10,000 and none will exceed \$20,000. The total loss is estimated at about \$175,000, which is less than the figure for 1929, covering the same period.

No single item of wind damage, the factory mutual people state, is as important collectively as the wind and hail damage to roof coverings. Last year the damage to roofing was nearly one-third of all windstorm losses.

Most of this damage could be avoided by taking precautions when roofings are laid, the factory mutuals state. Wooden strips for fastening edges of roofing sheets should be avoided. Seasoned planking for new roofs should be used and flashing should be provided where needed. Roof coverings, flashings and edgings should be fastened securely by spacing the nails according to manufacturer's specifications. The laying of a roof should be carefully supervised by the plant engineer or roofing manufacturer's inspector.

There should be periodic inspections

## Advertising Manager of Ohio Farmers Is Dead



H. V. CHAPMAN

H. V. Chapman, advertising manager of the Ohio Farmers, died suddenly last week at the age of about 35. Funeral services were held Sunday afternoon in LeRoy, O., where the home office of the Ohio Farmers is located. He was well known in insurance advertising circles and had an engaging personality.

of existing roofs once or twice a year. Edges should be noticed particularly and repairs made.

## Underwriters Adjusting Meeting

The quarterly meeting of the Underwriters Adjusting was held in Chicago Tuesday of this week.

## Backs National Board Plea

In line with the action of the National Board in calling the attention to the possibilities of improvement in fire prevention facilities under the public works section of the national recovery act, the insurance department of the United States Chamber of Commerce has sent a similar message to the chairman of the fire prevention committees of local chambers of commerce. Financial aid may be obtained to make improvements in the fire department, fire alarm or water supply system. In practically no city are there enough fire alarm boxes. The fire protection needs of various cities may be obtained from the National Board.

## Bennett, on Way West, Confers on National Meet

SEES LEADERS IN CHICAGO

Agency Convention to Be Serious Affair This Year with Many Issues Confronting the Business

Walter H. Bennett, secretary of the National Association of Insurance Agents, left Chicago Wednesday morning for Denver on a visit of several weeks in the far west, during which he will address several meetings of state agents' associations and local boards. Mr. Bennett spent the week end in Chicago, visiting the world fair and conferring with Chicago leaders on plans for the annual meeting of the National association, Oct. 11-13.

On Tuesday, Mr. Bennett attended a luncheon of the Chicago Insurance Agents Association to which were also invited several Chicago leaders, who are key men in the arrangements for the national convention.

Hamilton Loeb, president of the Chicago Insurance Agents Association, turned the meeting over to R. I. Read, general chairman of the Chicago arrangements for the October convention. Mr. Read recited the Chicago activities in behalf of the convention, emphasizing what had been done to bring in early reservations.

## Bennett Gives Views

Mr. Bennett was the next speaker. He said that there were many vital issues in the business today and that the convention would be devoted to a study of those questions and that entertainment was decidedly secondary. Mr. Bennett added some observations about the national industrial recovery act saying there is great interest in just how insurance will be affected. At present, he said, it is difficult to determine precisely the status of insurance under the act.

Appointment of a sub-committee of the Chicago Insurance Agents Association was authorized to take up with other insurance organizations in Chicago the question of code of working hours and wages for insurance offices in that city. At the meeting of the directors of the Chicago Board on Thursday of this week the likelihood is that such a code will be discussed.

## Manning Agency Appointed

T. A. Manning Sons of Dallas have been appointed Texas general agents for the Michigan Underwriters and the New England Fire. Texas is under jurisdiction of the western department at Chicago.

## Trend in Fire Insurance Is Seen Toward Service Policy

LOSS PREVENTION FUNCTION

Steady Drop in Average Rate for Many Years, Expense Ratio May Bring Change

The trend in fire insurance is more and more toward a service type of contract in which the insurance protection eventually will be subordinated to the safety engineering features, in the opinion of a man prominent in the fire prevention end of the business.

Starting in the early days in fire insurance when Philadelphia companies organized the first fire department to help keep down their losses, carriers have contributed an increasingly larger amount of effort and money on the safety side. While it is true prevention service costs represent only a small part of the fire premium today, the authority cited sees it as a growing factor in view of the unusual results obtained by cities which have taken part in the inter-chamber fire waste contest for a number of years and also because the constantly reducing average fire premium rate indicates a trend which may eventually make it necessary for the fire company to make a more definite charge for prevention activities.

## May Duplicate Boiler Line

In fact, it was said fire insurance in time may come to be something like boiler, machinery and elevator liability insurance in which the major charge in the premium is for inspections and other safety work.

He sees it as a possibility that the fire companies may in time find a way out of their problem, which is to look to the safety engineering and inspection features for the major part of their profit.

During the period 1913-1927 the average fire rate of stock companies, members of the National Board, was reduced 17.4 percent, having declined more than 20 points in the period.

It is pointed out that the rates declined persistently for many years, even during the period of war inflation. The average rate which in 1913 was \$1.04, in 1932 was about 80 cents. The average rate in the period 1900 to 1909 was \$1.15 and the period 1910-19, \$1.07; 1920-29, 96 cents, and 1930-31, 83 cents.

The average rate in the period 1927-31 was 89 cents as follows: 1927, 95 cents; 1928, 92 cents; 1929, 89 cents; 1930, 86 cents; 1931, 81 cents.

## Prevention Work Essential

The authorities find the trend in fire insurance duplicating that in steam boiler and elevator liability, as well as in workmen's compensation where much safety work is done, and in life insurance with the much publicized life extension work. It is pointed out thus the problem is not exclusively one of fire insurance, but the same situation occurs in nearly every form of insurance and any move to curtail loss prevention is a step backward, for without it the losses would soar.

The benefit of the companies is not solely one of loss savings. It is considered the most natural medium of approach to the public relations problem. Insurance companies cannot get away from the human factor.

In fire insurance where the loss prevention work is carried out in cooperation with the civic organizations, city officials, educational institutions, women's clubs, etc., a wonderful opportunity is given the business to make many friends and offset the thought that insurance companies are cold blooded institutions.

Town inspection programs in fire insurance are cited where fire insurance men sit down at dinner with people who

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## THE WEEK IN INSURANCE

Insurance considers effect of requirements on clerical help under industrial recovery act. **Page 3**

Speculative market in green whisky causes demand for coverage far in excess of maximum amount allowed under the valued policy. **Page 3**

The wholesale cancellation of business in an agency to liquidate balances is reported to be increasing. **Page 3**

Eastern Underwriters Association instructs stamping offices to warn delinquent agents of the new requirements on the companies in several states to furnish lists of delinquent agents. **Page 3**

E. D. Patton, assistant secretary of the United States branch of the Northern of London, is made secretary. **Page 11**

The character of the investment portfolio of the Globe & Rutgers and the amount the company would need its first 90 days after reopening are the prin-

cipal points under discussion in the litigation involving that company. **Page 5**

Belief is expressed that foreclosures by insurance companies may increase because improved stock and bond prices give greater leeway for converting mortgages into real estate. **Page 5**

West Virginia agents hold annual meeting. **Page 5**

Surety people are much interested in whether the deal of the United States Guarantee with the Todd Sales Company is consistent with Superintendent Van Schaick's pronouncement against selling of insurance in connection with other services. **Page 25**

Safe deposit liability policy is promulgated covering lessor for all sums for which he may become liable for loss or destruction of property in boxes. **Page 25**

Ohio senate provides for an investigation of the workmen's compensation insurance situation in that state. **Page 25**



## G. & R. Litigation Is More Involved

Several Petitions Before Court with Likelihood of More Being Filed

### CREDITORS ENTER ARENA

Barker Asks Parties to Find Some Common Meeting Ground So Creditors' Rights May Be Recognized

NEW YORK, July 26.—Of litigation in connection with the affairs of the Globe & Rutgers, like the making of many books, there appears to be no end. Four petitions are now before the courts, with promise of additional actions, on the outcome of which no one cares to hazard a prediction.

The management of the Globe & Rutgers, contending that the company is now entirely solvent, asks the discharge of the rehabilitator who has been in control since early March. As liquidator, Superintendent Van Schaick of New York seeks court authority to sell approximately \$10,000,000 of the company's securities in order to pay all approved claims in full.

#### State of Pa. Action

The court also has under review the application of the State of Pennsylvania to compel the sale of its shares held by the Golden Hill Building Corporation, owned almost wholly by the Globe & Rutgers, to the American of Newark. A fourth action seeks judicial approval of the proposition of the American to assume the entire reinsurance reserve of the State of Pennsylvania, now held by the Globe & Rutgers, approximately \$1,200,000, at a discount of 45 per cent.

The latter proposition is separate from the stock purchase offer made by the American, which latter may be withdrawn should the straight reinsurance proposal be approved by the court. Objection to the stock purchase offer for shares of the State of Pa. held by the Globe & Rutgers was offered by President Jameson of the latter company, his contention being that the shares were worth considerably more than was offered by the American. As part of its earlier proposition the American offered 40 percent off the reserve. This figure on a straight reinsurance deal it increased by five percent.

#### Creditors Ask Solution

A yet further petition has been filed by W. P. Barker as counsel for the Mutual Fire, Marine and Inland Insurance Co., and others "in the hope that some common ground may be found on which the parties may meet to the end that as quickly as possible the rights of creditors may be recognized and their claims paid" holding that the divergence of views between the "rehabilitator, directors of the Globe & Rutgers and its reorganization committee and their respective counsel" has resulted only in delay, the appeal asserts that the "time has come when creditors should make an insistent demand and submit a definite program for the consideration of the court."

Mr. Barker suggests handling the situation along these lines: (1) That the company be permitted to resume operations; (2) until further order of the court the rehabilitation order be continued limited to payment of loss, return and unearned premium and other unsecured claims occurring prior to the modification order; (3) that the re-

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## Foreclosures by Insurance Companies May Increase

SOME CAN NOW AFFORD TO ACT

Improved Stock and Bond Prices Give Leeway for Converting Mortgages into Real Estate

NEW YORK, July 26.—Some insurance investment people express the belief that the period of real estate foreclosures has not yet really begun in earnest. So far as insurance companies are concerned, there has been a reluctance to foreclose, among other reasons, because to do so would mean a reduction in the value of assets for statement purposes. That is, a mortgage might be carried for its face amount, but if this asset should be converted into real estate, it might be necessary to carry the item at a lower figure. When bond and stock holdings and other investments were at such a low ebb, the companies could not afford to apply much pressure on their mortgage investments. Furthermore, real estate buyers were scarce and the companies knew that if they took the property over, they would have difficulty in disposing of it except at a great sacrifice and then with a liberal purchase contract.

#### Picture Has Changed

Now, however, the picture has changed somewhat. Bond and stock values have increased and some of the companies which have been trading have made some good profits and have increased their cash position. Therefore, they are in a position to handle their mortgage investments a little more boldly. Some of these companies have started to foreclose on more properties in the last few weeks. This is true of fire and casualty companies as well as of life insurance companies. Although the fire and casualty companies do not have such a large proportion of mortgage loans, by and large, as do the life companies, yet the fire and casualty companies do have some, much of which they picked up from local agents who were in the real estate or mortgage loan business. The fire and casualty companies would purchase these securities as a favor to local agents in the expectation of getting insurance business in that way.

Some of the companies not only have a margin in their statements, which now permits them to handle their mortgages in what they regard as the most effective fashion, but they also feel that the chance of selling these properties after they are taken over is considerably better. There seems to be evidence that the inflationary movement and the feeling of confidence is reaching the real estate market and there are many who are very bullish as to the future of real estate.

#### Dailies Up, Premiums Down

In recent weeks, many of the companies have noticed that the number of daily reports has increased considerably over the same period last year, although the premium volume has fallen off. This may be explained to some extent by the theory that small policyholders, who dropped their insurance because of distress, are now reinstating their coverage. The decrease in premium volume seems to be explained because the insurance requirements of the larger risks by and large are still less than a year ago.

#### New Dallas General Agency

DALLAS, July 26.—The John H. Awtry & Co., general agency has been organized by John H. Awtry who for years has specialized in motor bus and truck insurance in the southwest. The agency is located at Commerce and Field streets.

## Pennsylvania Leader at West Virginia Meeting



K. H. BAIR, Greensburg, Pa.

K. H. Bair of Greensburg, Pa., former president of the Pennsylvania Association of Insurance Agents, now a member of the executive committee of the National association, represented the national body at the West Virginia meeting this week. He was the main speaker at the banquet Monday evening.

## Strong Official Slate for Ad Conference Is Nominated

Henry H. Putnam, advertising manager John Hancock Mutual Life, who was nominated for president of the Insurance Advertising Conference last week, was at one time secretary of the National Association of Insurance Agents and was the founder of the "Journal of Insurance Economics," now the "Eastern Underwriter."

A. H. Reddall, who was nominated for treasurer, has been connected with the Equitable Life of New York during his entire career, specializing in advertising and publicity. He is editor of the company's house organ, "Agency Items."

The nominating committee included E. S. Ennis, America Fore; H. A. Warner, Maryland Casualty; J. E. D. Benedict, Metropolitan Life, and Mr. Reddall, Equitable, chairman. Nominations for vice-president and secretary will be made later.

K. H. Mathus of the Connecticut Mutual, leader in the secession movement in the Insurance Advertising Conference, states that immediately after the fall meeting of the life group conference in Chicago, the International Life Advertisers Association will be formed by the 73 members of the I. A. C., who have announced their intention to withdraw.

#### W. I. B. Directors Meet

Directors of the Western Insurance Bureau, meeting in Chicago Tuesday of this week, gave consideration to several recommendations of the subscribers' actuarial committee.

#### Insurance Not Under Tax

MONTGOMERY, ALA., July 26.—The new income tax voted at a special election July 18 will apparently have no effect on insurance carriers. The bill says that all insurance companies now paying a tax to the state shall be exempt from the income tax. This is taken to mean that all companies paying the present premium tax are not liable for income tax.

## West Virginians Hold Convention

President Henry Recommends Employment of Full Time Association Secretary

### DISCUSS RATE PROPOSAL

Commissioner Sims Criticizes Companies for Over-Insurance—Held Chief Cause of Losses

#### NEW OFFICERS ELECTED

President—C. L. Haeblerlin, Beckley. Secretary—Treasurer—H. S. Ellis, Huntington. Chairman Executive Committee—Fred L. Summers, Parkersburg. Chairman Legislative Committee—George E. Robson, Charleston. Chairman Membership Committee—E. C. Nuzum, Fairmont. National Councillor—R. P. DeVan, Charleston.

FAIRMONT, W. VA., July 26.—President R. M. Henry recommended the employment of a full time secretary-manager for the West Virginia Association of Insurance Agents at its annual meeting here. He said that the increasing problems demanded a full time man and he asked all agents to aid the association. Various committee chairmen reported, including a special committee that showed the number of mixed agencies representing association offices, and a certain cut rate company had been reduced from 46 to 12.

C. W. Thornburg gave an extensive report of the conference committee, of which he is chairman, on the proposed rate increase by the supervisory committee of the West Virginia Uniformity Association. It is recommended that an increase of 44 percent be imposed on farm properties, 20 percent increase on unprotected dwellings, including coal and lumber camps, 20 percent on unprotected mercantile establishments and coal properties 15 percent. A reduction of 20 percent is proposed on churches, schools and public buildings and 16 percent on fireproof buildings of all classes. A 10 percent decrease on lumber yards is also recommended. The conference committee was unsuccessful in securing appropriation by the last legislature for premiums to insure state properties on which all insurance expires July 1, 1934. There are no funds available for rebuilding in case of loss.

#### Fairmont Board Is Host

The Fairmont board was host at the annual dinner at which President Henry was toastmaster. R. P. DeVan, past president of the National association and mayor of Charleston, urged the agents to adopt a code under the industrial recovery act in line with other businesses to do away with cut rates and cut throat practices. Other talks were given by G. T. Watson, state compensation commissioner, and Harlan Justice, deputy insurance commissioner.

E. B. Sims, insurance commissioner and state auditor, stated it is his intention to carry out the spirit of the insurance laws, not only to protect the public but to see that the agents are not imposed upon. He said he is convinced that a majority of the fires are of incendiary origin, which is a deplorable condition, and urged cooperation of the agents with the fire marshal's department. He criticized the companies for taking too much physical and moral risk and said the losses were due to over-insurance. If the

(CONTINUED ON PAGE 33)



**PROTECT  
WHAT YOU  
HAVE**

COPYRIGHT 1932 BY INS. CO. OF NORTH AMERICA

The North America national advertising this month points out the vital importance of property insurance as an anchor to windward. And, since insurance is only as sound as the company behind it, North America's enviable financial position and 141-year record of square dealing are valuable selling arguments for every North America Agent.

*See the North America full page advertisement in The Literary Digest, July 15th.*

**Insurance Company of  
North America**  
PHILADELPHIA

*and its affiliated companies write practically every form of insurance except life.*

## NEWS OF THE COMPANIES

### Net Surplus Shows Increase

**Improvement in Security Markets Causes  
Decrease in Contingency Reserve of  
America Fore Companies**

Sharp increases in net surplus and decreases in contingency reserve, apparently reflecting the increased market value of securities, are shown in the mid-year statements of the companies in the America Fore group.

The Continental shows assets \$81,971,644, including bonds and stocks \$73,717,759, real estate \$1,768,170, cash \$2,971,279 and premiums less than 90 days \$3,257,993.

Premium reserve amounts to \$22,147,000, contingency reserve \$14,000,000, capital \$4,873,989 and net surplus \$34,850,001.

#### Fidelity-Phenix Figures

The Fidelity-Phenix shows assets \$64,799,254, including bonds and stocks \$59,002,562, cash \$1,522,022, premiums less than 90 days \$2,376,769.

The premium reserve amounts to \$17,419,204, contingency reserve \$12,500,000, capital \$3,464,824 and net surplus \$26,472,470.

The Niagara has assets \$21,439,116, including bonds and stocks \$19,469,358, cash \$722,585, premiums \$1,158,150.

The premium reserve amounts to \$5,946,955, contingency reserve \$2,700,000, capital \$2,000,000 and net surplus \$9,618,238.

#### Other Companies Listed

The American Eagle shows assets \$12,563,573, premium reserve \$3,687,686, contingency reserve \$775,000, capital \$1,000,000 and net surplus \$6,232,322.

The First American shows assets \$3,981,415, premium reserve \$898,119, contingency reserve \$450,000, capital \$1,000,000 and net surplus \$1,440,190.

The Maryland shows assets \$2,746,042, premium reserve \$357,343, contingency reserve \$475,000, capital \$1,000,000 and net surplus \$846,683.

The figures for the Fidelity & Casualty appear in the casualty section.

### Mechanics & Traders Is

**Now Being Reincorporated**

The Mechanics & Traders of the National of Hartford group is being reincorporated as a Connecticut company, according to announcement of President F. D. Layton. Heretofore the Mechanics & Traders has been a Louisiana company. The new company will take over all of the business, assets and liabilities of the old company, the only change being in domicile from Louisiana to Connecticut.

The Mechanics & Traders was organized in 1869. In 1898 interests identified with the National Fire secured control and in 1929 capital was increased from \$300,000 to \$1,000,000.

The executive and administrative offices have been in Hartford. As of Dec. 31, 1932, the company reported assets \$4,713,853, premium reserve \$1,204,752, capital \$1,000,000 and net surplus \$1,443,305.

### F. H. Marquis New President

F. H. Marquis, vice-president of the Mansfield Savings Bank & Trust Co., has been elected president of the Mansfield Mutual Fire of Mansfield, O. He succeeds Charles Ritter, who died recently. Mr. Marquis has been a director of the Mansfield Mutual for several years.

The vice-presidents of the company are G. W. Blymyer, Jr., and R. A. Tracy; secretary J. M. Cook and assistant secretary-treasurer C. D. Horner.

### New Statement Now Issued

**American Automobile's Semi-Annual  
Figures Show the Company Is in  
Excellent Shape**

As of July 1, the American Automobile shows assets \$10,006,936. Its total bonds are \$4,045,715 and stocks \$3,303,772. Its cash on hand is \$1,126,842, premium reserve \$3,411,071, liability claim reserve based on the New York law \$2,617,620, contingency reserve \$1,386,882, capital \$1,000,000, net surplus \$1,023,397. This is a very excellent statement and shows the American Automobile to be in fine shape. Its bonds are based on the amortization formula and the stocks on convention figures. Its assets are high grade.

### Assets, Surplus of National Union Fire Show Increase

The National Union Fire has issued its semi-annual statement showing assets of \$12,231,505, including first mortgage loans \$919,232, bonds \$5,742,117, stocks at market value \$2,423,934, real estate \$1,174,081, cash \$465,822, premiums less than 90 days \$1,016,169.

Premium reserve amounts to \$6,524,125, capital \$1,100,000 and surplus \$3,035,311.

There was an increase in assets on the market value basis of \$1,068,300 as compared with Dec. 31, and an increase in policyholders' surplus of \$1,204,790.

### Agency Handles Underwriting

KANSAS CITY, MO., July 26.—The General Insurance Agency here has contracted to act in an advisory capacity on the underwriting of all motor truck cargo business written in the United States by the Manufacturing Lumbermen's Underwriters, of which the Rankin-Benedict Underwriting Company of Kansas City is attorney-in-fact. The General agency will make rates, approve forms and underwrite all business as to its acceptability.

### Takes Over Equity Agencies

C. J. Muckerman, president St. Louis Fire & Marine, announces that the Equity Fire of Kansas City, which recently decided to retire from the direct writing field and engage only in reinsurance, has transferred its entire agency organization in Kansas City to the St. Louis Fire & Marine.

### Some Capital Now Willing to Make Agency Investment

NEW YORK, July 26.—Field men report these days that capital can be interested in investment in local agencies. There have been a number of cases recently where people with surplus funds have staked something in agencies whose current operations are successful and which offer promise in the future, but which are embarrassed by indebtedness for past transactions. For the past year or so, it has been virtually impossible for a local agent to raise capital, except here and there from relatives, who were willing to help him out of a hole. Companies could not dispose of agencies which they had taken over except on some extremely weak instalment basis. There were very few people who were willing to put up any real money to buy an agency or to invest in a growing agency.

Now, as capital seems to be searching for profitable outlets again, local agencies may be able to attract some help.



## AS SEEN FROM CHICAGO

### THREE MEMBERS PROPOSED

Three class 1 membership applications have been passed by the Chicago Board executive committee on to the membership for vote. These are Harrison-Brewster agency, 120 South La Salle street; O'Malley & McKay, 222 West Adams street, and C. M. Varde, of R. W. Hyman & Co., Insurance Exchange. F. W. Stroupe, Jr., is the active head of the Harrison-Brewster agency, which represents the Harmonia as sole agent and also the First American of New York. O'Malley & McKay were designated by the Dixie Fire of Greensboro, N. C., and also represent the Columbia Fire of Dayton and the Michigan F. & M.

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### VICKERY HANDLES RESERVATIONS

Earl B. Vickery, Cook County manager of the America Fore group, is chairman of the hotel and transportation committee that has in charge the reservations for those who are to attend the annual convention of the National Association of Insurance Agents in Chicago Oct. 11-13. A number of out-of-town agents have addressed their requests for hotel reservations to the Chicago Board and to others who do not have the matter directly in charge. The Chicago committee wants as many out-of-town agents as possible to make their hotel reservations well in advance, but all such reservations should be directed to Earl B. Vickery, 175 West Jackson boulevard, Chicago, who is the chairman of the hotel and transportation committee, and not to other individuals.

\*\*\*

### DISTRIBUTE \$142,000 FUND

The Chicago Board is distributing checks totaling nearly \$142,000 to 281

class 1 members as a final act in terminating the class 1 membership fund which was started in 1924. Each member is getting a check for \$505.27. In return he is to transmit a check for \$150, of which \$100 goes to the new membership fund and \$50 additional dues for this year. The appreciation on the \$200 originally deposited by each member in the fund has been large, as the net return over the nine year period even after deducting the \$150 under the new arrangement is \$355.27. None of the fund ever was expended, although there were some withdrawals of sums due to resignations and deaths. The original purpose of the fund was to enable the establishment of higher standards of membership and to afford security for fines, fees, etc.

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### W. U. A. MEETING PLACE

The semi-annual meeting of the Western Underwriters Association has been scheduled for Sept. 19-20 at Saranac Inn, New York.

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### CIGARETTE STAND ENDORSED

The directors of the Chicago Board have adopted a resolution endorsing the position of the National Board concerning cigarette losses. The Chicago Board directors pledged their support to discouraging the payment of scorch claims. The full cooperation of all companies and members is justified and expected, the directors stated in the resolution.

\*\*\*

### CHICAGO FIRE PREMIUMS

Premium tax returns filed so far by the fire companies in the city controller's office, Chicago, for the fiscal year ending June 30, 1933, with the correspond-

ing figures for the two previous years, are as follows:

Company	1933	1932	1931
Alliance, Eng...	1,711	15,750	.....
Amer. Auto. ....	5,016	7,039	10,404
Amer. & Foreign	3,313	6,410	10,739
American M. ....	1,665	1,463	1,749
Anchor .....	4,717	4,717	16,130
Carolina M. ....	625	1,531	1,701
Eagle .....	12,378	19,619	23,389
East & West .....	7,264	13,326	12,995
Enterprise M. ....	1,665	1,463	1,701
Federal .....	15,634	29,052	17,010
Graphic Arts M. ....	1,962	235	.....
Gulf, Texas .....	9,737	.....	.....
Impl. Deal. M. ....	145	156	34
Jewelers M. ....	3,325	.....	.....
K. C. F. & M. ....	1,897	4,412	162
Lond. & Scot. ....	33,997	45,639	39,616
*Lumbermen's .....	30,235	55,745	51,512
Lumber M. Mass. ....	9,687	10,864	15,774
Mfrs. Mut. ....	2,775	2,438	2,915
Marine .....	12,013	4,425	2,901
Merchants, Colo. ....	9,711	11,402	16,192
Mechanics M. ....	1,665	1,463	1,749
*Merchants, N. Y. ....	115,021	199,139	156,243
*Merchants, R. I. ....	13,321	.....	.....
Millers M. ....	2,986	3,018	2,982
Mill Owners M. ....	7,347	12,690	17,650
Minn. Implm. ....	7,035	6,913	9,546
Newark Fire .....	40,378	39,410	57,841
Northern Fire .....	105,263	122,791	150,917
N. W. Mut. Fire. ....	9,476	11,769	12,268
Norwich Union. ....	73,693	79,510	95,454
Ohio Farmers .....	18,177	16,891	30,763
Ohio Hdw. M. ....	882	2,176	898
Pearl Assur. ....	45,812	.....	.....
Provident, N. Y. ....	19,799	27,969	12,339
Prov. Wash. ....	75,291	80,022	109,235
Queen .....	73,620	95,447	99,171
Retail Hdw. M. ....	7,292	111	515
Rhode Island M. ....	2,775	2,438	2,915
Royal .....	246,814	303,931	283,255
Royal Exch. ....	109,130	48,130	57,882
Sea .....	3,372	838	610
Security, Conn. ....	96,295	94,480	134,006
Standard, N. J. ....	69,591	66,823	96,729
State Assur., N.Y. ....	4,434	24,537	26,014
*State of Pa. ....	18,381	50,983	121,914
State Mut. ....	3,330	2,926	3,498
Travelers .....	98,964	121,703	147,996
Union Mut. ....	1,486	1,621	635
*Union, Paris .....	6,087	41,716	73,060
*Utah, Firemen's. ....	39,062	47,761	49,954
United M. Mass. ....	25,455	22,899	34,851
Virginia F. & M. ....	8,907	16,540	38,745
Wash. Assur. ....	1,055	1,322	12,185

\*Incomplete returns.

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### STREET MADE VICE-PRESIDENT

C. R. Street, western manager Great American, who has been a director of the Western Adjustment for many

years, was elected vice-president to succeed the late C. E. Doo, western manager London & Lancashire. Secretary C. A. Dosdall, St. Paul Fire & Marine, was elected a director.

\*\*\*

### ZINTAK IN FIELD WORK

B. J. Zintak, president of the Pioneer Fire of Chicago, temporarily will devote his full time to that company in field work, taking over the duties of A. J. O'Malley, who resigned recently. Mr. Zintak is a former alderman of Chicago and is also engaged in the building and loan business.

\*\*\*

### NEW INSURANCE EDITOR

John C. Leissler has resigned as insurance editor of the Chicago "Journal of Commerce" after having served in that capacity 6½ years. Mr. Leissler started in newspaper work in Dallas and later was a reporter in Des Moines. He went to Chicago for the "Journal of Commerce" from Des Moines, where he had handled insurance news to some extent.

The new insurance editor of the "Journal of Commerce" is A. L. Kirkpatrick, who has been connected with W. A. Alexander & Co. of Chicago in life insurance work. Formerly he was at the home office of the Continental Casualty and Continental Assurance of Chicago. At one time he was connected with the Casualty Information Clearing House of Chicago and before that was a statistician for the Integrity Mutual Casualty. He is a graduate of the University of Michigan and is prominent in the alumni affairs of that institution.

Mr. Kirkpatrick will also act as an advertising representative for the "Journal of Commerce."

The *Patriotic* has appointed Louis Kretschmann & Son of New York City its metropolitan agents after operating as a direct writing company since 1908.

Financial strength with a high degree of liquidity, competent underwriting evidenced by lower-than-average loss ratios, and treaties that are designed to fit the individual requirements of direct-writing companies—these are qualifications which are strongly emphasized by the INTER-OCEAN REINSURANCE COMPANY, of Cedar Rapids, Iowa. Reinsurance only of Fire, Tornado and Automobile lines. // // // // // // //



## Fire Association of Philadelphia The Reliance Insurance Company Victory Insurance Company

OTHO E. LANE, *President*  
JAMES G. MACONACHY, *Vice-President*  
WILLIAM S. EVANS, *Vice-President*  
J. VICTOR HERD, *Secretary*

### HEAD OFFICES

Fourth and Walnut Streets  
Philadelphia

### DEPARTMENTAL OFFICES

Chicago      Atlanta      San Francisco      Dallas  
Toronto      New York

### OCEAN AND INLAND MARINE DEPARTMENTS

Appleton & Cox, Inc., Attorney  
8 South William Street      New York City  
Service Offices or General Agencies in all Principal Cities

*Detailed list of Securities showing  
condition as of December 31st,  
1932, will be supplied on request.*

## G. & R. Litigation Is More Involved

(CONTINUED FROM PAGE 5)

habilitator be directed to pay forthwith in full plus 6 percent interest, all claims fixed and adjusted as of date of modified order; (4) that a reserve in high grade securities sufficient to pay all unpaid claims and expenses be set up to be disbursed by the rehabilitator; (5) question as to whether unearned premiums be paid on short rate or pro rata basis be decided in rehabilitation proceedings; (6) all treaty business reinsured with the G. & R. should be retroactive or transferred to other reinsurers so as to remove other companies from possible danger attendant upon rehabilitation proceedings.

### Expect Speedy Decision

Justice Frankenthaler is familiar with Globe & Rutgers litigation, and a speedy decision, possibly early next week, is considered likely in the case of the two petitions now before him, both of which were argued last week in supreme court here. The first petition is that of President E. C. Jameson and other officials and stockholders to vacate the order putting the company into the hands of Superintendent Van Schaick of New York as rehabilitator. The second is that of Mr. Van Schaick, asking authorization to sell about \$10,000,000 of the Globe & Rutgers' securities in order to pay the claims of creditors at 100 cents on the dollar.

The argument in supreme court centered around two main points: (1) The character of the company's investment portfolio, the department's counsel contending that its holdings tended to fluctuate unduly in value, while the company's attorney held that the character of the portfolio was not the department's affair so long as it complied with the requirements of the insurance law as to investments; and (2) the amount of money which the company would need the first 90 days after its reopening. On this point the department held that \$9,000,000 to \$10,000,000 would be needed, while the company contended that \$4,000,000 to \$5,000,000 would be sufficient.

Both sides have until today (Wednesday) to submit additional affidavits in support of their respective contentions on these and other disputed points, and until July 28 to submit additional briefs.

The recent behavior of the stock market will have additional significance, for the way in which Globe & Rutgers holdings have weathered the downward reaction of the market will undoubtedly

have considerable weight in the argument over their volatility.

## Early Settlement of G. & R. Reinsurance Treaties Seen

NEW YORK, July 26.—Conditions under which the reinsurance arrangements had by the State of Pennsylvania, Russia and Lincoln Fire with the Globe & Rutgers will likely be agreed upon within a day or two, Justice Frankenthaler, of the supreme court, after a hearing in his chambers this morning, asking that representatives of each of the interested companies get together and agree upon details.

The advisability of terminating existing contracts was recognized by all parties as well as by the department, the only points at issue being as to the price the G. & R. should receive for its surrendered liability and the effective date of agreement termination. The department felt that cancellation should date from March, 24, the day upon which the G. & R. passed into the hands of a rehabilitator, but held that March 31 would be a more convenient accounting period and so recommended.

Counsel for the department offered that the affairs of the G. & R. would be materially clarified and the standing of its policyholders improved if all existing reinsurance treaties were canceled. The hearing was wholly amicable.

### Concentrate the Work

The tendency of the day is to concentrate what might be termed underwriting or department offices that have displaced independent companies, at the central supervision points. In times passed a company has been bought or reinsured and supervision over its agency plant in whole or part was continued. Where the company itself was retired an underwriters agency was organized to take care of the old agents. It has been found that economies can be introduced now that dollars are being counted so that money can be saved. The Phoenix of Hartford, for instance, has taken over all the Minneapolis F. & M. plant except Minnesota and Wisconsin. The National of Hartford recently moved the Forest City Underwriters from Rockford, Ill., to the western department at Chicago. The Fireman's Fund a year or more ago moved the Hawkeye & Des Moines department to Chicago. In some cases where a company is bought and continued it is permitted to look after the agents of its home state or immediate locality.

# MARSH & McLENNAN

## Insurance

FIRE  
CASUALTY

LIFE  
MARINE

BOND  
AUTOMOBILE

164 West Jackson Boulevard, CHICAGO

NEW YORK  
MINNEAPOLIS  
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DETROIT  
COLUMBUS  
INDIANAPOLIS

MONTREAL  
PHOENIX  
WINNIPEG

SAN FRANCISCO  
LOS ANGELES  
PORTLAND  
SEATTLE  
VANCOUVER

CLEVELAND

LONDON

DULUTH



## Lambeth Wants Policy of the Agency Body Set Forth

Walter Lambeth, manager of the insurance department of the American Trust Company, Charlotte, N. C., who stirred up the question of whether Secretary W. H. Bennett was authorized to lobby in behalf of federal legislation divorcing banks from insurance activities, has again written to President Charles L. Gandy of the agents' association on the subject.

Mr. Lambeth expresses the belief that it is not fair for one class of agents of the National association to combine to put another class belonging to the same association out of business, without giving the minority an opportunity to be heard. Thousands of small banks in the United States are either acting as agents or employees are acting as such and if the proposed legislation had been passed, he said it would have put out of business many small banks where an officer received a part of his remuneration from his insurance business. Banks in many small places cannot afford to pay their officials a living wage, he said.

Mr. Lambeth contends that the National association has broken its pledge to the National Board and has violated the terms of the Richmond declaration without letting those affected know the association's intended action. He said the National association should declare its position and put the banks, mortgage loan companies and building and loan associations acting as insurance agents on notice of the association's future policy.

## Iowa Commissioner Cited Before Executive Council

Commissioner Clark of Iowa has been cited to appear before the state executive council July 31 on complaint of Capt. W. R. Baker, former Kansas commissioner, in connection with the receivership of the Royal Union Life of Des Moines. Capt. Baker charges irregular conduct on the part of Mr. Clark in events leading up to the receivership.

Last week Governor Herring of Iowa issued a statement as the result of an investigation into the merger in 1931 of the Modern Brotherhood of America of Mason City, Ia., and the Independent Order of Foresters of Toronto. The governor said he found substantial payments, not contemplated in the merger contract, had been made. The question of Mr. Clark's approval of this merger was involved. Mr. Clark was formerly treasurer of the Modern Brotherhood.

## Trend in Fire Insurance Is Seen Toward Service Policy

(CONTINUED FROM PAGE 4)

buy their products and who have come of their own volition and paid with their own money to listen to the story. It is believed no business in the world can put over such an effort so well as insurance.

## Home of New York Figures

The Home of New York, in its mid-year statement, shows assets \$94,316,394, including cash \$10,327,314, U. S. state, county and municipal bonds \$14,873,788, other bonds and stocks \$57,744,749.

Capital is \$12,000,000, net surplus \$27,508,150, premium reserve \$36,907,379, and contingency reserve, which adjusts values to a market basis, \$9,860,515.

Assets of the Franklin Fire amount to \$19,448,688, capital \$3,000,000, net surplus \$4,905,971, contingency reserve \$2,942,746 and premium reserve \$5,405,849.

## Home to Open Marine Office in Chicago, Thomas Manager

The Home of New York, as of Sept. 1 is opening a marine department in its Chicago office, according to announcement of J. W. Morrow, head of the marine department of the company, who is in Chicago this week.

The department will be in charge of J. B. Thomas, who is at present marine special agent at St. Louis for the Home, a connection of five years. Formerly he represented the National of Hartford at St. Louis.

Assisting Mr. Thomas will be David E. Bopp, who is now located at the head office. He is a graduate of the Northwestern University fire insurance course. R. L. Maxwell will continue to travel the northern Illinois, northern Indiana and Michigan field in a marine capacity.

## New Institution About Ready

LOUISVILLE, July 26.—The Fidelity & Columbia Insurance Co., a subsidiary of the Fidelity & Columbia Trust Co., will file its charter papers within a few days, and expects to be in operation early in August. Frank Bosler, manager of the insurance department, stated that its directors had authorized formation of the company, with capital of \$50,000 and surplus of \$25,000. Since its formation of an insurance department the company has represented the Firemen's of Newark, exclusively, and operated non-board. Formation of the new company has been largely for the purpose of placing itself in position to be admitted as a member of the Louisville Board. In addition Mr. Bosler has arranged to also represent the Travelers Fire and expects to add one additional company.

## Open Washington, D. C., Office

Parrish, Cohen, Guthrie & Watters, Des Moines insurance attorneys, have opened offices in the Shoreham building, Washington, D. C., in charge of M. M. Cohen, who has resigned as commissioner of the United States court of claims.

## Miscellaneous Notes

T. B. Spaulding & Son, Lebanon, Ky., agency, has been sold to B. J. Madden. Hugh Anderson has opened a new agency at 306 Hubbell building, Des Moines.

W. E. Sayer and Cyril Cadieu have opened a new agency at Bloomington, Ind., as Sayer & Cadieu.

Carl E. Keppert of Detroit has formed the Insurance Survey Bureau at 724 Detroit Savings Bank building.

The Minneapolis office of the Agricultural, under State Agent Paul Zoelzer, has moved to larger quarters in Room 900, Northwestern Bank building.

The Leedom, O'Connor & Noyes Co., Milwaukee, has taken over the business of the Dunphy Insurance Agency, founded many years ago by the late J. F. Dunphy. Ray Dunphy will continue in the insurance business, operating as an individual agent.

SINCE organization this company has operated along conservative lines, adhering unwaveringly to sound and proven principles in its underwriting and investment policies. Fortified with the firm foundation of security thus created it has experienced no difficulty in withstanding the tests of the past three years, maintaining throughout the entire period a steady progress consistent with its accomplishments of more favorable times.

Now, as improvement in the business trend becomes increasingly apparent, the American Motorists is prepared to achieve further successes, and to share with its representatives in prosperity even greater than that which has hitherto rewarded the joint efforts of the company and its field organization.

# AMERICAN MOTORISTS INSURANCE COMPANY

James S. Kemper, President

MUTUAL INSURANCE BUILDING, CHICAGO, U. S. A.

Largest Illinois Stock Casualty Insurance Company

## PROVIDENT FIRE INS. CO.

Fire and Automobile Lines

## ROYAL EXCHANGE

ASSURANCE

## CAR and GENERAL

INSURANCE CORPORATION, LTD.

Automobile, Liability and Plate Glass

95 Maiden Lane

NEW YORK

## BROKERS—INCREASE YOUR EARNINGS Sell More Policies

Large, well known Company is expanding its Sales Organization and has openings for men with experience in selling Automobile—Fire—Householders' Comprehensive Insurance. It will pay hardworking producers to write for particulars. Address X-56, The National Underwriter.

## ATTRACTIVE PICTURES AND SALES CAPTIONS that help you sell more insurance

Send 10 cents today and get a sample of the NEW 1933 National Underwriter Insurance Calendar, A-1946 Insurance Exchange, Chicago.

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12

# NATIONAL UNION FIRE INSURANCE COMPANY

FINANCIAL STATEMENT JUNE 30, 1933

ASSETS	
First Mortgage Loans.....	\$ 919,232.34
Collateral Loans.....	200,000.00
Bonds at Market Value	
Rated "Ba" or Better.....	\$5,504,717.00
Other Bonds.....	237,400.00
Stocks at Market Value.....	2,423,934.95
Real Estate.....	1,174,081.43
Cash.....	465,822.17
Premiums in Course of Collection	
Not Over 90 Days Due.....	1,016,169.78
Accrued Interest.....	124,119.60
Other Ledger Assets.....	166,027.74
Total Admitted Assets.....	\$12,231,505.01
LIABILITIES	
Reserve for Losses.....	\$ 1,013,358.93
Reserve for Unearned Premiums.....	6,524,125.05
Reserve for Taxes.....	78,890.11
Reserve for Other Liabilities.....	479,819.75
Capital.....	\$1,100,000.00
Surplus.....	3,035,311.17
Surplus to Policyholders.....	\$12,231,505.01

Compared with December 31, 1932  
Increase in Assets on *Market Value* Basis.....\$1,068,300.99  
Increase in Policyholders' Surplus.....1,204,790.25

## PITTSBURGH, PA.

Home Office  
139 University Place

NEW YORK, N. Y.  
W. A. Rattelman, Mgr.  
85 Maiden Lane

SAN FRANCISCO, CAL.  
J. P. Breeden, Mgr.  
340 Pine Street

A GOOD AGENCY COMPANY

## ATTENTION ! agents in !

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INDIANA NEBRASKA  
IOWA OKLAHOMA  
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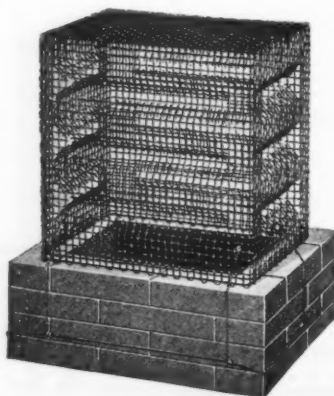
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## NEWS OF FIELD MEN

### Reelect Smith in Missouri Corroon & Reynolds Changes

#### Fire Underwriters Association Holds Annual Meeting at Lake of the Ozarks

Raymond W. Smith, St. Louis, Missouri state agent for the Aetna Fire, was unanimously elected president of the Missouri Fire Underwriters Association at the annual meeting at Pla-Port, Lake of the Ozarks. He has been especially active in the development of the association and the fire insurance business in the state. He is also a director of the Missouri Insurance Council and vice-president of the Underwriters Salvage Corps.

R. M. Wilcox, Kansas City, special agent United States Fire, was reelected vice-president. New members of the executive committee are J. F. Deiber, Hartford, and J. R. Curran, New York Underwriters, both of Kansas City; holdovers, T. H. Carlton, Royal; C. F. Collins, Aetna, and E. W. Thomas, Southern Fire.

High tribute was paid to the retiring secretary, D. R. Ford, Springfield F. & M., for his work in behalf of the association. His successor will be selected by the executive committee.

The Missouri association's outstanding achievement has been the organization of what is known as the Missouri Improvement Association, which, although an entirely separate activity, has obtained notable results and received favorable comment from leading company officials. Similar plans have been adopted and put into successful use by field clubs in other states.

The next meeting will be held in September when a program of activities for the latter part of 1933 will be worked out.

The executive committee of the Missouri Fire Underwriters Association and Fred Huffman of Sedalia, state agent Concordia, and C. L. Tindall, Kansas City, state agent Milwaukee Mechanics, named by John Battershill, president of the Missouri Field Club of the Western Insurance Bureau, to represent that club, will comprise the official steering committee in charge of the Missouri Town Improvement Association work, which will again be pushed the coming year. The secretary of the Fire Underwriters Association will be secretary of the improvement association.

#### Royal Announces Transfers of Its Field Men in West

Special Agent M. W. Slawson of the Royal is being transferred from Wichita to Kansas City, Mo., where he will travel the adjoining states for the special service department. Succeeding Mr. Slawson, D. S. Davis has been transferred from Indianapolis to Wichita as special agent under the general supervision of State Agent Updegraff. To fill the vacancy at Indianapolis, Special Agent Glen Pickens has been moved from Des Moines.

#### Yorkshire Announces Changes

C. F. McLaughlin, state agent for the Yorkshire fleet in Tennessee, has resigned. F. M. Dubois, who has been with the Yorkshire's New York office, handling underwriting matters, has been transferred to Louisville as special agent for Kentucky and Tennessee, with office in the Speed building. Announcement of the change was made by Senator K. Gray, agency superintendent, following his return to Louisville from New York. Mr. Dubois formerly represented the marine department of the North America in Kentucky.

#### V. L. Mulvehill Is Transferred from Chicago to Louisville—E. A. Winter Is Appointed in Ohio

Vincent L. Mulvehill, for some time past attached to the Cook county, Ill., branch of the Corroon & Reynolds group, has been transferred to Louisville, where as state agent he will assist Special Representative F. L. Stabler in supervising the interest of the group offices in Indiana, Kentucky and Tennessee, except in sections of Indiana where general agencies are maintained. These latter will continue undisturbed. Mr. Mulvehill has been associated with the Corroon & Reynolds group for a number of years, traveling at different times in various states in the central west. He is a son of J. H. Mulvehill, vice-president of the Globe & Rutgers. Another brother, John Mulvehill, is in the loss department of the Corroon & Reynolds companies and still another brother, E. L. Mulvehill, is treasurer of the American Reserve and Lincoln Fire.

E. A. Winter, who had been Ohio state agent for the National Liberty for a number of years, is now serving the Knickerbocker of the Corroon & Reynolds group in the same capacity, having recently been appointed to the new connection. He will continue to maintain headquarters in Cincinnati.

#### W. G. Munroe Will Retire from Active Field Work

When W. G. Munroe retires as Philadelphia special agent for the New York Underwriters Sept. 1, under its retirement plan, the territory will be added to that now supervised by F. I. Baldwin, special agent for northeastern Pennsylvania. Mr. Munroe is one of the veteran field men of the east, having entered the service of the New York Underwriters Agency, predecessor of the present company, in 1903, serving for a time in Iowa and later continuously in Philadelphia.

#### Stuhrman in Temporary Charge

Pending the appointment of a successor to the late C. W. Cartwright as Minnesota state agent for the Northern of London, its interests in the territory will be looked after by R. H. Stuhrman, from the head office in New York City, who for some time past has been chief examiner of Minnesota business. Secretary E. D. Patton, who has charge of the entire western field for the Northern, plans to visit Minnesota early in September, at which time a state agent will be determined upon.

#### Zehnder Now General Agent

C. F. Zehnder, formerly state agent in Kentucky and Tennessee for the Phoenix of Hartford and in the field at Nashville for a number of years for other companies, has become general agent in Kentucky and Tennessee for the Resolute Underwriters of the Rhode Island and Merchants.

#### E. M. Patillo Is Dead

E. M. Patillo, special agent for the National Union Fire in Georgia, died in a hospital in his home city of Decatur,

#### Reduce Insurance Rates

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Ga., at the age of 48, following an illness of several weeks.

### St. Paul Veteran Retires

The St. Paul Fire & Marine announces the retirement on pension of one of its veteran field men, C. L. Montgomery, covering southern Iowa with headquarters at Ottumwa. Mr. Montgomery has been with the St. Paul 22 years. Recently his health has been impaired. No successor will be named, his territory being divided between the eastern and western Iowa field men.

### Iowa State Agent Resigns

Clyde C. Smith has resigned as Iowa state agent for the Monarch Fire. He has decided to confine his attention to his local agency in Des Moines and to the adjustment business.

The business of the Monarch Fire in Iowa will be supervised by O. H. Sturgeon of Springfield, Ill., who will add the Iowa territory to his field.

### Barrett with McKnight

The C. C. McKnight General Agency of Enid, Okla., which operates in Okla-

homa and Kansas, has appointed William Barrett Kansas state agent with headquarters in the Wheeler, Kelly & Hagney building, Wichita. Mr. Barrett, formerly with the Home of New York in Kansas, will office with Col. S. F. Woolard of the Commercial Union.

### Newcomer Is Oklahoma Head

OKLAHOMA CITY, July 26.—F. C. Newcomer, state agent of the Cotton Insurance Association, was elected president of the Oklahoma State Fire Prevention Association; J. G. Hayden, America Fore, vice-president, and Will S. Eberle, general agent, reelected secretary-treasurer.

### Wells Succeeds Byron

H. H. Wells has been appointed special representative of the Cooling-Grumme-Mumford Co. of Indianapolis, general agent for Indiana of a number of fire and casualty companies. Mr. Wells has had extended experience in both fire and casualty insurance and is well known throughout the state. He succeeds Larue Byron, who recently went with the American States.

## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### WILDE BACK FROM TRIP

R. R. Wilde, secretary of the Corroon & Reynolds organization, is back at his desk, following a visit to Louisville, Chicago and Detroit.

### I. U. B. DISTILLERY RULE

Due to a radical change in the operation of distilleries and the handling of whisky the governing committee of the Interstate Underwriters Board abrogated its rule prohibiting the coverage of "whisky in bonded warehouses at distilleries" and decided to permit on and after Aug 1 "the coverage under I. U. B. forms for whisky in all warehouses including warehouses on premises of distilleries" with the prospect of the early repeal of the 18th amendment.

Values of whisky in bond have increased many fold and companies had to make provision for meeting the changing condition.

\* \* \*

### E. D. PATTON IS ADVANCED

It is Secretary Patton now. United States Manager R. P. Barbour of the Northern has advanced former Assistant Secretary E. D. Patton to the higher official post in appreciation of meritorious service. The latter is entering the thirteenth year of his connection with the company, having served successively as its Oklahoma special agent and state agent for Kansas and part of Missouri, prior to being called to New York to handle the western department some two years ago.

## Code for Clerical Help is Pondered

(CONTINUED FROM PAGE 3)

salary of \$15 a week in the larger cities.

The question of the 40-hour week comes up. Some of the companies find that their schedule runs an hour or two longer than this and they are planning to allow an extra 15 minutes or so at the lunch hour on two or three days a week.

Word comes to New York from various towns that local agents and company offices are holding meetings on the code question. In some cities, an attempt is being made to get some sort of uniformity among the different offices. That is, the offices would agree on some uniform schedule of working hours.

The minimum wage scale will undoubtedly prove a hardship to many of the smaller local agents, who have been paying perhaps \$8 or \$10 a week for help.

In some offices, the promulgation of the code has caused some unrest among the help. Not only are employees who have been getting less than the minimum assuming that they will now get \$15, but employees making less than \$150 a month seem to feel that they should be increased.

Whether a shorter week will necessitate employing much more help in insurance offices is doubtful. Many companies are today carrying extra help for humanitarian reasons. Of course, now in the vacation season, some of

the companies might be short handed if they were compelled to decrease the working hours.

W. H. Koop, president of the Great American of New York, in his capacity as president of the National Board of Fire Underwriters, held a conference with the New York members of the executive committee of the National Board and with their approval sent a telegram to Washington respecting the cooperation of the National Board with the industrial recovery act. The telegram stated that the National Board is recommending to its members that they individually stand ready to cooperate with the President's reemployment program limiting hours and establishing minimum wages on terms outlined in the text of the blanket industrial code.

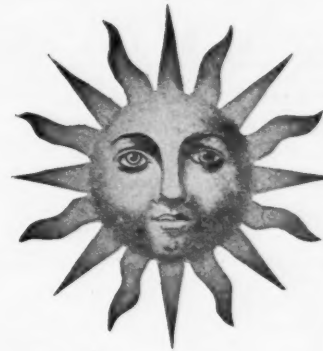
### Secures Public Post

Homer Adkins of the Little Rock agency of Adkins & Williams has been appointed collector of internal revenue for Arkansas. He is president of the Greater Little Rock Insurance Exchange and has served as chairman of group No. 3 of the Arkansas Association of Insurance Agents. He is a former sheriff of Pulaski county. In 1929 he was elected alderman from the fourth ward of Little Rock and is now serving his second term.

### Miscellaneous Notes

The **Tenlinga Bros.** agency in the Roseland section of Chicago has been appointed regional agent for the Massachusetts Bonding.

Pacific Coast department offices of the **Fidelity & Guaranty Fire** have been moved to 340 Pine street from 360 Pine street, San Francisco.



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### For Permanent Average Values

THE wild gyrations in the stock market offer further evidence that market values as of a particular day have practically no significance. Figures on the blackboard run up and down in mercurial fashion and it seems absurd to judge an insurance company by where those figures happen to stop on a particular day. On June 30, stocks were quoted at prices to put most of the companies in the clear on a market value basis. Those figures may be cited in mid-year statements. Yet a few days later, those same prices had no significance.

Some of those who have been the strongest advocates of average valuations of securities have been those desperately in need of such help. As a consequence, some of the companies, which have been more comfortably situated, have favored market valuations on the theory that these quotations represented the real worth and that anything else was fictitious. Of course, market values as of June 30, 1931, cannot be justified much longer. Those figures have little meaning. But there must be some method of calculating an average, which

would produce truer values than the figures of a particular day.

What the future course of the market will be, is, of course, uncertain. However, should the constructive movement be resumed again and carried to the point where the companies could use their market value quotations and be in the clear, we believe that the average valuation principles should still be recognized. This is illustrated by the most recent stock market crash. The values of June 30 apparently were just as much out of line on the upside as were the figures during the lowest point of the market.

We are not prepared to submit a formula for taking an average. This is a question for actuaries and closer students of markets and investments. It does seem that a mean might be struck between the high points and the low points in a market during the course of a year or longer. Average valuations, we believe, should not be an emergency measure to bolster companies in times of panic, but should be a recognized yardstick at all times. Average valuations probably represent true valuations.

### Sports Liability Policy

MANY agents are using the sports liability policy as a contact line for bigger business. This is a class of insurance that appeals to all those who play golf, tennis, members of fish and game clubs, those who engaged in trap shooting, and in fact outdoor sports of all kinds. It is sold only to amateurs. Many peo-

ple are playing on public golf courses now that formerly were members of private organizations. The public golf course offers far more hazards than the private ones. Through the medium of sports liability policies many agents have been able to gain entry into policyholders' other lines.

### Value in Understanding

ONE of the mental attributes that is very valuable, not only in social but business contacts is the ability to sympathize with and understand people. A lack of understanding creates suspicion

and prejudice. Then again much is to be gained by a person making himself understood to those with whom he comes in contact. Mutual understanding is the best basis of human relations.

### When Salesmanship Counts

WHEN does the capacity, knowledge and ingenuity of the insurance salesman come to its full fruition? Certainly extraordinary talents are not needed when the prospect is in the mood to

buy. It is when he assumes a negative or indifferent attitude that the real powers of the successful salesman are seen. The real salesman enjoys overcoming resistance.

## PERSONAL SIDE OF BUSINESS

W. W. Gilmore, Pacific Coast manager of the London & Lancashire and affiliated companies, is preparing for his periodical trip to Honolulu to check the company's business in the Hawaiian Islands.

J. P. Wagner, local agent at Caledonia, Minn., suffered a crushed chest and shoulder when a concrete driveway on which he was standing collapsed. Mr. Wagner is in the Caledonia hospital. His daughter, Vivian, received minor injuries and his son, Earl, jumped clear of the wreckage and escaped injury.

Two former veteran western managers now retired from business will celebrate their anniversaries next week.

A. F. Dean was born July 30, 1842, and hence will be 91 years of age when Sunday rolls around. Mr. Dean was formerly western manager of the Springfield F. & M. and is the author of the present rating system that is used in many jurisdictions. He lives at his home in Evanston, Ill., and being almost totally blind and physically incapacitated is unable to get about. During the last three weeks Mr. Dean has been afflicted with an abscess which has caused him distress and has further weakened him. He has been unable to see visitors in consequence.

Another manager retired, who resides at the Union League Club in Chicago, is Thomas E. Gallagher, formerly western manager of the Aetna, who was born in Dansville, N. Y., July 31, 1848. This brings him therefore to his 85th birthday anniversary. Mr. Gallagher attends many insurance functions, looks after his army of grandchildren and visits his friends from time to time. He is one of the most popular men who ever sat in a managerial chair.

Mr. Gallagher has gone to New York City to spend his 85th birthday anniversary with his son, Vincent Gallagher, secretary of the America Fore companies, and his family.

Ray W. Miller of Webster City, Ia., state agent for the New Hampshire Fire, is at Rochester, Minn., where he underwent an operation at the Mayo institution. He is at the Worrell hospital there.

E. P. Ingraham, Worcester, Mass., will observe the 50th anniversary of his entry into the insurance business Sept. 1 of this year. Mr. Ingraham served as the first secretary of the Massachusetts Association of Insurance Agents and served also at one time as chairman of the grievance committee of the National association. He entered the business in 1883 in the firm of Field & Ingraham. In 1895 Mr. Ingraham became secretary of the Worcester Board and served in that position until 1903 when he again entered the local agency ranks. In 1920 C. C. Parker became associated with him and remains in the firm.

Garfield W. Brown, Minnesota commissioner and president of the National Convention of Insurance Commissioners, will be a speaker at the annual meeting of the Association of Superintendents of Insurance of the Provinces of Canada in Toronto, Sept. 5-7.

F. B. McBride, manager of the Atlantic marine department of the Fireman's Fund in New York, was a Chicago visitor, conferring with Manager E. D. Lawson of the western marine department of that company.

G. Z. Day, assistant general agent of the Tokio Marine & Fire at the United States branch office in New York, visited in Chicago with Manager A. J. Couch of the brokerage and Cook county department and also conferred

with the agents there, then returning to New York.

Miss Jean Campbell of the office organization of the Firemen's group in San Francisco was selected by Mayor Rossi's committee to represent San Francisco at the Salinas Rodeo July 20-22. Miss Campbell, who is an accomplished horsewoman, will be in competition with representatives of 40 other towns in the state and if adjudged a winner will be given a trip to Chicago's World Fair.

Alexander Bissett, who recently retired as Canadian manager of the London & Scottish, has been elected a director. Mr. Bissett joined the organization in 1884.

O. B. Ryon, retired general counsel of the National Board, celebrated his 76th birthday at his home in Streator, Ill. Mr. Ryon retired from active service with the National Board about 12 years ago. Since then he has been devoting most of his time to his local agency in Streator.

Fred W. Moore of Moore, Case, Lyman & Hubbard, Chicago local agents, and Mrs. Moore attended the wedding of Elliott Roosevelt, son of the President, and Miss Ruth J. Googins at Burlington, Ia., last Saturday. The bride is a niece of Mrs. Moore.

Ernest Sturm, chairman of the America Fore companies, and Mrs. Sturm have sailed on the "Rex" for Genoa, whence they will start on a motor tour through northern Italy.

W. W. Wyant, 76, senior member of Wyant & Tesmer, Waterloo, Ia., died there following three years of ill health. In 1907 he became the first Waterloo salesman for the old Iowa Life and in 1910 organized the W. W. Wyant agency, later taking in Fred Tesmer as his partner. He was a director of the Iowa Mutual Liability of Cedar Rapids. Mr. Wyant was widely known in musical circles and was the composer of several hymns.

Harry T. Poor, for many years active in insurance circles in Baltimore, died July 21 after an illness of about six weeks. He was head of Poor, Bowen, Bartlett & Kennedy, which he had organized several years ago at the death of his former partner. The previous name of the firm was Poor & Alexander.

E. A. Miller, special agent for Underwriters at Lloyds of Minneapolis, died July 15. He was well known among insurance men of Minnesota. He joined the Lloyds in 1927 and worked his way through the ranks to special agent. He was a graduate of the University of Minnesota in law.

T. P. Williams, Little Rock, Ark., has sold his agency to the United Corporation, successor to the insurance department of the old Union Trust Company, and will continue with the corporation.

### Home Loan Bank Requires Coverage on Wind Losses

The requirement that property must be covered by windstorm insurance to have a mortgage on it acceptable as collateral by the new federal home loan bank system should prove an impetus to the sale of this coverage. Many home owners who formerly carried their own risks will now be forced to insure against windstorm damage.



A FRIENDLY TRIBUTE TO  
**WISCONSIN**  
 The "BADGER STATE"

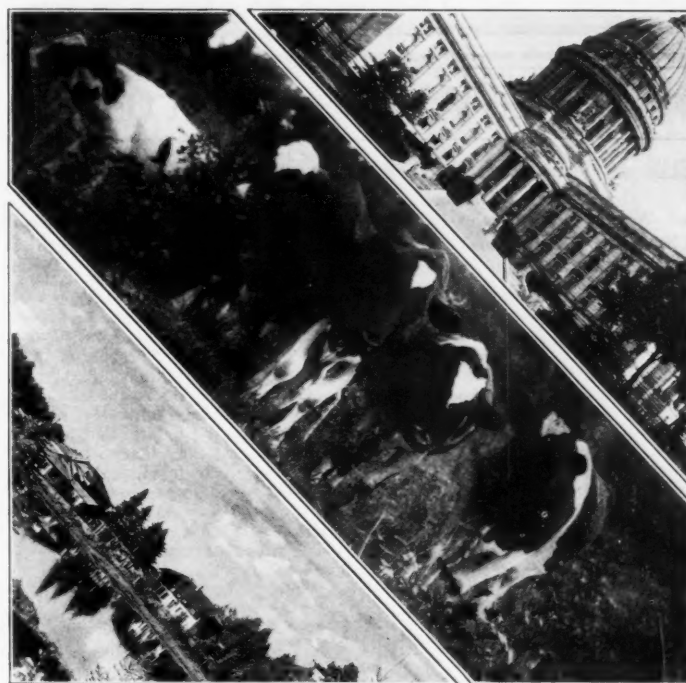
Three hundred years ago Jean Nicolet, first white man to see Wisconsin, landed near Green Bay. Later Joliet and Marquette on their famous voyage down the Mississippi visited Wisconsin in 1673. Riches from the fur trade was the magnet that drew many. Wisconsin became part of the Northwest Territory and in 1836 was organized as a state. The year before the first bank and newspaper were established. The year Wisconsin was admitted to the Union, 1848, her famous university at Madison, with a campus as beautiful as any in the country, was incorporated. Camp Randall, the present memorial park and athletic field of the University gets its name from the training and prison camp established there in 1861.

Wisconsin, greatly diversified industrially, agriculturally and scenically, has much to be proud of. She ranks

- First in production of butter, milk, cheese
- First in manufactured dairy products
- First in pea canning
- First in manufacture of engines, turbines, dredging machines
- Second in manufacture of agricultural machinery
- Second in paper manufacturing
- Second in rubber tires and tubes
- Third in motor vehicles
- 64% of all families in the state own their own homes

It is interesting to know that of the 107 steam shovels used in building the Panama Canal, 77 were made in Wisconsin and the largest American Diesel engines ever manufactured were built in Milwaukee. The typewriter was invented by a Kenosha man. Wisconsin is recognized as the first state to adapt and put into effect a number marking system for highways.

Ranking along with its agricultural and commercial fame is its beautiful scenery, making Wisconsin one of the country's great vacation states. The Dells, striking rock formations, are internationally known as is Devils Lake. On the shores of beautiful Lake Geneva, a favorite resort for many, stands famed Yerkes Observatory, one of the four that received the light impulse from the star Arcturus which officially opened Chicago's Century of Progress. The Brule river region gained fame when the Summer Whitehouse was established there in 1928. At Ripon in 1854 was held one of the earliest movements looking to the organization of the Republican party.



Top—Wisconsin State Capitol, Madison. One of the beautiful capitols of the country.  
 Center—Wisconsin's fame to her outstanding position as a dairy state lies in splendid dairy herds like these.  
 Bottom—Beautiful resorts like these attract vacationists to Wisconsin.

**MADISON**, capital and second largest city, called "The four lake city on the isthmus," has one of the most beautiful locations of any city. Here is the University of Wisconsin. The United States Forest Products Laboratory containing samples of all wood grown in North and South America, the only institution of its kind in the United States, is here. 78 diversified industries make Madison an important manufacturing city.

**MILWAUKEE**, largest Wisconsin city, on the shores of Lake Michigan, is one of the great manufacturing centers of the country. It is the tractor capital of the world and is now, as in the past, famous for its beer.

**SUPERIOR**, in Douglas County, at the head of the Great Lakes, has a perfect land-locked harbor. In volume of tonnage handled it is the greatest fresh water port in the world and surprisingly, second only to New York among all United States ports.

**MONROE**, "Swiss Cheese Capital of America," **OSHKOSH**, **RACINE**, **KENOSHA** and **MARINETTE** are other important Wisconsin cities.

Since being licensed in the "Badger State" 26 years ago, The Eureka-Security Fire & Marine has made many staunch friends among Wisconsin agents and policyholders. They have found this 69 year old company has made only those promises it could carry out. Satisfaction has been the result. Unquestioned financial strength, integrity and friendliness has made the Eureka-Security Fire & Marine a popular company in the state. Wisconsin agents will find our special State Agent willing and ready at all times to help them with their insurance problems. Write

E. R. Lindholm  
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 1323 Chandler Street, Madison



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Established 1864

CINCINNATI, OHIO

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SMALL ENOUGH  
 To give individual attention

YOUNG ENOUGH  
 To grow by giving service

OLD ENOUGH  
 To have profited by experience



# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Are Still at Work on Losses

**Hail and Wind Claims in the Recent Northern Illinois Storm Over 3,000**

Adjusters are still working on the hail and tornado losses followed in the wake of the storm that struck northern Illinois with Elgin as the center a few weeks ago. It is estimated that all in all there were between 3,000 and 3,500 claims. Some were small and local agents took care of them. The Western Adjustment had some 2,300 claims to look after. While the individual losses were not heavy the claims were numerous and considerable work was involved in the adjustments.

Where policyholders did not carry the hail rider, there have been many disputes, the assured contending that the claim should be paid in full under the windstorm policy. Where it was obvious that hail did the damage, adjusters have endeavored as best they can to separate the hail and windstorm loss. The experience with this storm shows the great value of agents insisting on an assured carrying hail insurance and if he refused to do so the agent should have a record of this being called to the attention of the policyholder.

### To Seek Resident Agent Law

**Kansas Association Will Present Matter If Special Session Is Called—Discuss Convention Plans**

TOPEKA, KAN., July 26.—The executive committee of the Kansas Association of Insurance Agents at a meeting here discussed plans for its convention at Hutchinson in October. C. L. Gandy, Birmingham, president National Association of Insurance Agents; Paul L. Haid, president Insurance Executives Association, and Commissioner Hobbs have been invited to speak.

The committee decided to launch a membership drive, seeking to raise the membership to 500 by the time of the annual meeting. It is now about 200.

It was decided that the association would make an effort to secure enactment by the Kansas legislature of a resident agent law similar to that in Nebraska. A special legislative session is expected in the fall and the committee agreed to make a drive for the Nebraska law in Kansas in event a special session is called.

The committee urged all members and other agents to aid the insurance department in enforcing the anti-rebating law. Some months ago the department issued an order prohibiting the rewriting of Globe & Rutgers business and absorbing the unearned premiums, but it is reported that some agents are doing it and the association determined to help stop the practice.

The committee has been working with the department and the companies relative to the licensing of outside brokers who write business on Kansas City, Kan., properties. It was announced that through cooperative effort of the agents, the companies and the department the situation is being ironed out satisfactorily.

C. C. Anderson, for many years with Anderson, Brown & Ginzel, Wichita, Kan., is establishing his own office, Brown, Ginzel & Co. will be the new firm name of the present agency, which is taking a ground floor location in the Beacon building.

### Rules on Valued Policy Law

**Federal Judge in South Dakota Clarifies Statute in Case Filed by School District**

The challenge of constitutionality of the valued policy law of South Dakota contained in the defendant's brief in the case of the Gregory independent school district No. 68 vs. American of Newark, National Union Fire and North River, was ignored by the federal district court of South Dakota in a decision, the explanation given being that it was not deemed necessary to pass upon the question of constitutionality. The decision given to the defense, considerably clarifies the valued policy law.

Two questions at issue were whether the property insured was wholly destroyed, or in other words, whether or not there was a total loss under the policy, and secondly, whether or not the plaintiff was bound by the settlement consummated between officers of the school district and representatives of the fire companies. Counsel for the school district contended evidence showed there was total loss and that the loss was so regarded by representatives of the companies in negotiating adjustment or settlement.

The adjusters used the cost of an entire new building identical with the old one as a basis for their figures. Judge Wyman, however, said the fact was undisputed that the companies' representatives never admitted there was total loss, but repeatedly asserted the loss was not total. If the latter was the case, the court stated, the method of ascertaining the amount of damages used by the companies' representatives was proper and in accordance with terms of the contract.

#### Finds Settlement Binding

The court could find no evidence loss was total, and therefore found no merit in the contention of the school district that the agreement entered into by the parties was not binding on the school district. He said there was no evidence of fraud, misrepresentation, mistake or other elements which would tend to vitiate the settlement, as was charged by the plaintiff, but only an honest difference of opinion as to the actual amount of loss or damage.

The settlement was the result of negotiations conducted in absolute good faith on the part of the interested parties and under such circumstances there could be no question as to the authority on the part of the school district board to make the settlement. Having done so and accepted and retained the benefits of this settlement, the plaintiff was bound thereby, the court found.

### Revamping of Insurance Laws Up to Federation

At a meeting in Columbus, O., attended by about 35 representatives of insurance companies, under the auspices of the Ohio chamber of commerce, it was decided to ask B. G. Dawes, Jr., president, and the Insurance Federation of Ohio to consider the advisability and practicability of revising the insurance laws of Ohio. If such a revision is attempted, it is understood, every branch of insurance will be represented and each division will in all probability be invited to revise the laws pertaining to its special line of insurance.

There is some question as to whether life insurance will be included in the

undertaking, in view of the fact that the life insurance laws were revised by the Gradison bill, which was passed at the latest session of the Ohio assembly. It was agreed that if a new bill is drafted providing for a codification of the insurance laws, it will be sponsored by the chamber of commerce and will be supported by insurance organizations representing all classes. Several years ago a new code was prepared under the sponsorship of the Ohio state bar association, but it was never presented to the legislature.

### National Board Reports on Norwood, O., Fire Fighting

The National Board in reporting on Norwood, O., finds the supply works insufficient. There are good emergency connections to Cincinnati mains. The quantities available are sufficient in the principal mercantile district, but elsewhere fair to small. The fire department is seriously inadequate for anything but incipient fires. The fire alarm system is inadequate and has many unreliable features.

In the principal mercantile district, therefore, the engineers say that severe group fires are probable. Important manufacturing plants generally are sprinklered; in the unsprinklered plants severe group fires are probable.

### Take Federal Union Testimony

COLUMBUS, July 26.—Hazard Okey, acting for the Ohio supreme court, took the testimony a few days ago of Superintendent Warner and Elmer Jefferson of Cleveland in the suit instituted by the Federal Union to compel the department to issue an agent's license to Jefferson. It is understood that the department refused to grant the license on the ground that Jefferson is a partner in Johnson & Higgins, licensed as non-resident broker in Ohio. It is charged by the department that Jefferson is trying to do indirectly what he would not be permitted to do directly.

### Tax Lien Machinery

The new Missouri law providing that unpaid taxes should be a lien against the proceeds of fire and windstorm policies where the destruction of the buildings would prejudice the collection of the taxes, became effective July 24. Forms have been suggested by the Missouri attorney general which tax collecting officials should furnish assureds who have losses. These forms are substantially the same as THE NATIONAL UNDERWRITER suggested on June 22 might be used.

The National Board states that in counties under township organization a certificate must be made by both the township collector and treasurer. Similar certificates are also necessary for city collectors.

### Discuss Agency Salaries

Ten of the largest agencies in St. Louis are meeting some time the coming week to discuss the new code on working hours and salaries for their employees.

The Lawton-Byrne-Bruner agency of St. Louis has increased the salaries of its entire staff 5 percent.

### Better Equipment Sought

CLEVELAND, July 26.—Business people here, affected by higher insurance rates, have entered the fight for better fire fighting facilities. Not long ago the two fire tugs plying the waterfront were scrapped but the disapproval of industrial concerns along the river led to the remodeling and restoration of

one. Influence is now being brought to bear to meet some of the drastic needs of the fire department which have been outlined over the past two years.

Efforts to get the arson squad, dismissed last May, restored are without success to date.

### Allan Wolff to Speak

Allan I. Wolff, chairman of the executive committee of the National Association of Insurance Agents, will be the principal speaker at the annual banquet of the Minneapolis Underwriters Association which will be held jointly with the banquet at the annual Minnesota agents' meeting in August. The date has not been set.

### H. E. Reed Is Office Manager

H. E. Reed has been appointed office manager and special representative of the E. L. Wurst general agency in Minneapolis. He has had considerable experience in the business, first as a broker and then as a field man for a number of years with various fire companies in Iowa, North and South Dakota and Nebraska. The Wurst general agency has the Albany, Central Union, County Fire and the United States Casualty.

### Expect Large Attendance

Approximately 200 invitations have been sent out for the annual meeting of the Upper Peninsula Association of Insurance Agents at Ishpeming, Mich., July 29, and present indications point to a large attendance. O. R. Sandell, secretary, states.

A slight change in the program as originally announced will be made in that the afternoon session will be opened by Charles E. Freese of Detroit, president of the Michigan Association of Insurance Agents.

James Flaa is now president of the Upper Peninsula agents, Ovilas Lafreniere having resigned recently.

### Joliet Is Criticized

The National Board has issued a supplemental bulletin on Joliet, Ill., stating that although the fire department is inadequate and poorly equipped for the proper protection of the city, it continues to provide protection for localities outside the city limits and response to alarms is improperly arranged, often having no company on duty while move-in is being made. The National Board advises improving drills and training, fire methods, utilization of existing equipment and response to alarms in order that a maximum of benefit may be derived until such time as the department may be increased in the number of companies, manning and apparatus.

### Insurers Not Affected

The National Board has sent a bulletin to members stating that, in the absence of instructions to the contrary, the new Indiana law imposing a gross income tax but exempting insurance companies which pay premium tax of more than 1 percent, may be regarded as not affecting the interests of the companies. Insurance companies, other than those organized in Indiana, are not required to file an application for exemption from the tax, the National Board advised.

### Meet at Roberds Lake

The regional monthly meeting of the insurance agents of southern Minnesota was held at Roberds Lake, near Faribault.



# LOYALTY GROUP

NEAL BASSETT, President  
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d Vice Pres. W. W. POTTER, 2d Vice Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

CAPITAL

\$ 9,397,690.00

Organized 1855

NEAL BASSETT, Chairman of Board  
 HENRY M. GRATZ, President  
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d Vice Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## THE GIRARD FIRE AND MARINE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1853

NEAL BASSETT, President  
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

\$ 600,000.00

Organized 1854

NEAL BASSETT, President  
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$ 1,000,000.00

Organized 1866

NEAL BASSETT, President  
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## SUPERIOR FIRE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1871

NEAL BASSETT, Chairman of Board  
 W. E. WOLLAEGER, President JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres.  
 H. R. M. SMITH, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

\$ 1,000,000.00

Organized 1870

CHARLES L. JACKMAN, President  
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## THE CAPITAL FIRE INSURANCE COMPANY

\$ 300,000.00

Organized 1886

CHARLES L. JACKMAN, President  
 NEAL BASSETT, Vice President

## UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

\$ 100,000.00

Organized 1905

NEAL BASSETT, President  
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## MILWAUKEE MECHANICS' INSURANCE COMPANY

\$ 2,000,000.00

Organized 1852

NEAL BASSETT, Chairman of Board  
 J. SCOFIELD ROWE, Vice Chairman  
 H. S. LANDERS, President J. C. HEYER, Vice President WINANT VAN WINKLE, Vice President JOHN R. COONEY, Vice President  
 E. G. POTTER, 2d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McCURE, 3d Vice Pres. T. A. SMITH, Jr., 3rd Vice Pres. F. J. ROAN, 3d Vice Pres.

## THE METROPOLITAN CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1874

NEAL BASSETT, Chairman of Board  
 H. S. LANDERS, President WINANT VAN WINKLE, Vice President J. C. HEYER, Vice President JOHN R. COONEY, Vice President  
 E. G. POTTER, 2d Vice Pres. T. A. SMITH, 3d Vice Pres. FRANK J. ROAN, 3d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McCURE, 3d Vice Pres.

## COMMERCIAL CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1909

**WESTERN DEPARTMENT**  
 844 Rush Street, Chicago, Illinois  
 HERBERT A. CLARK, Vice President  
 H. R. M. SMITH, Vice President  
 JAMES SMITH, Secretary

**CANADIAN DEPARTMENT**  
 461-467 Bay St., Toronto, Canada  
 MASSIE & RENWICK, Ltd., Managers

**EASTERN DEPARTMENT**  
 10 Park Place  
 NEWARK, NEW JERSEY

**PACIFIC DEPARTMENT**  
 220 Bush Street,  
 San Francisco, California  
 W. W. & E. G. POTTER, 2nd Vice Presidents  
 FRED W. SULLIVAN, Secretary  
**SOUTH-WESTERN DEPARTMENT**  
 912 Commerce St., Dallas, Texas  
 OLIN BROOKS, 2d Vice President  
 BEN LEE BOYNTON, Res. Vice President  
 A. C. MEEKER, Secretary

LOYAL TO PRINCIPLE - TO LOYAL AGENTS, LOYAL

1805

1933

# Caledonian Insurance Company

*The Oldest Scottish Insurance Office*

## Caledonian-American Insurance Company of New York

ROBERT R. CLARK,  
U. S. Manager and President

## THE NETHERLANDS INSURANCE COMPANY OF THE HAGUE, HOLLAND

Est. 1845

ROBERT R. CLARK, U. S. Manager  
EXECUTIVE OFFICES: HARTFORD, CONN.

## FIRE REINSURANCE TREATIES

Eagle Fire Insurance Company  
(NEW JERSEY)

Baltica Insurance Co., Ltd.  
(DENMARK)

Franklin W. Fort - Thomas B. Donaldson  
18 WASHINGTON PLACE, NEWARK, N. J.

## IN THE SOUTHERN STATES

### Enthusiastic Sessions Held

Turn Out to Hear Senff and Thieman on Their Western Kentucky Trip

LOUISVILLE, July 26.—Leo E. Thieman, secretary Kentucky Association of Insurance Agents, and Commissioner G. B. Senff spoke before approximately 250 agents and met with a rousing reception on their western Kentucky jaunt last week. They visited Owensboro, Henderson, Madisonville, Hopkinsville and Paducah. Life agents attended the group meetings as well as fire agents, in order to have an opportunity to meet Mr. Senff, who took office late last year.

Mr. Senff offered the agents the co-operative facilities of his department, and asked them to bring their knotty problems to his attention, with assurance that they would be given serious consideration.

### Appeal Firemen's Fund Ruling

RICHMOND, July 26.—The ruling of Judge Gunn of the circuit court here, holding unconstitutional the act passed by the 1932 legislature levying a tax on stock fire companies to create a firemen's relief fund, is being appealed by the Virginia State Firemen's Association and the State Fire Chiefs' Association to the Virginia supreme court.

The National of Hartford challenged the constitutionality of the act, which provided for a levy of one-half of 1 percent of premiums collected by the companies in Virginia.

### Drop Virginia Rate Case

RICHMOND, July 26.—The five companies which recently lost their appeal in the Virginia supreme court of appeals on the action of the state corporation commission in ordering a reduction in fire rates have decided to let the decision stand and not to take the case to the United States Supreme Court on constitutional points involved.

### Regional Meet at Okmulgee

OKMULGEE, OKLA., July 26.—Among the principal speakers at the regional meeting of the Oklahoma Association of Insurers here tomorrow will be President Vernon V. Sills, Ponca City; E. W. Clarke, president Associated Fire & Casualty Underwriters of Oklahoma City, and Joe Frates, Tulsa, vice-president of the state association.

### Mississippi Losses High

JACKSON, MISS., July 26.—Following the annual meeting of the Mississippi Fire Insurance Commission here

### Louisville Agency Head Dies from Heart Attack



FRANK H. BROWN

Frank H. Brown, 55, head of the Brown & Martin agency, Louisville, and president of the Louisville Board for two terms in 1929 and 1930, died at his home there of a heart attack, after several weeks' illness.

He started with the old Jefferson & Noyes agency as a boy, later became office manager and then a partner. He withdrew from that agency more than 20 years ago and formed the Brown & Martin agency with the late William Martin who died a year or so later. Mr. Brown had been general agent for the Employers Liability since he first established his agency and also represented about a dozen fire companies.

He was a brother of Mrs. R. W. Snyder, whose husband is a member of Snyder Brothers General Agency, Louisville. F. G. Snyder, president of that agency, died July 14.

last week, Chairman Shelby Pickett announced that the 1932 loss and expense ratio was 138 per cent and that for the last five years was 117. The loss ratio alone for 1932 was 92.9 percent, compared to 98.2 in 1931, which was the highest in eight years.

### Leaders Form New Agency

BIRMINGHAM, ALA., July 26.—Enoch Morris, secretary of the Alabama Association of Insurance Agents, has joined with Cooper Green, chairman of

Purely an Agency Company

## SUSSEX FIRE

INSURANCE



COMPANY

BOTH in spirit and letter observing the principles of the American Agency System.

Cash Capital

\$1,000,000.00

COMPLETE facilities afforded every agent that represents this company.



the insurance committee of the Alabama house of representatives, in organizing the Green-Morris Agency in Tarrant City, a Birmingham suburb. Mr. Green, recently appointed postmaster of Birmingham, will be a silent partner. Mr. Morris has been for several years with the Ford-Myatt Agency.

The agents of Jefferson county were largely responsible for electing Mr. Green to the legislature in 1930. He was responsible for defeating much adverse insurance legislation.

#### Louisville Agency Joins Board

The Long & Hamilton agency of Louisville, controlled by C. C. Burkel, G. W. Roth and Fred Burkel, has been

taken over by C. C. Burkel and has been moved to the office of the Liberty Fire, which will supervise the business. The agency will retain its name, and will now become a member of the Louisville Board.

#### Southern Notes

**Tom B. Spalding & Son**, 25 year old agency of Lebanon, Ky., has been sold to B. J. Madden, Lebanon.

**Curtis Green**, owner of the Green, Hewes & May agency, Jackson, Miss., has been appointed Mississippi appraiser for the federal home loan board.

A new book, "**Freeman's Earthquake Damage & Earthquake Insurance**" is sold by The National Underwriter, costing \$7.

## PACIFIC COAST AND MOUNTAIN

### Suspension Rules Rescinded

#### Mountain Supervisory Officials, After Conference in Denver, Decide on Discontinuance

DENVER, July 26.—Although the initial trial of the automatic suspension of delinquent agents under the Mountain Field Club rule helped improve collection conditions, it failed of entire cooperation from the companies and field men, and will not be continued, for the present at least.

That decision was reached here by W. N. Achenbach of Chicago, chairman of the supervisory committee of the Rocky Mountain Fire Underwriters Association, and A. T. Bailey, San Francisco, a member of that committee, who came here to study results of the new rule, which was recently adopted by the Mountain Field Club and approved by the supervisory committee.

#### Only One Section Rescinded

The suspension rule was a section of the general rule on collections and credits, known throughout the mountain territory as Rule 2, and it is the only section of the main rule which was rescinded. In his announcement President L. Allen Beck of the field club said:

"The remaining sections of Rule 2 are still in effect, and it is the expressed wish of the members of the supervisory committee that much of the effectiveness of Rule 2 may be retained and that postponement of the enforcement of this one section may not result in the loss of any considerable part of the good work which has been thus far accomplished."

In cases where all companies have suspended an agent, President Beck said a meeting should be held before any individual reinstatement is made. Some field men have indicated their intention to keep in force the suspensions they have made under the former rule

until the agent pays up, while others have expressed a desire to run their own business and handle individual cases according to their judgments.

### Sales Meetings Suggested

#### King County Insurance Association at Seattle May Inaugurate Series of Gatherings

Some of the members of the King County Insurance Association at Seattle feel that there should be evening sales meetings for the benefit of the members. The following topics have been suggested as appropriate for discussion:

- Analysis of insurance companies statements.
- Mutual insurance methods and contracts.
- Reciprocal insurance methods.
- Insurance survey methods.
- Factory insurance association.
- Our reciprocity campaign.
- Sources of premium income of this state.
- A constructive sales talk.
- Office leaks.
- Insurance agency advertising.
- Insurance company service to agents.
- Undeveloped lines.
- Safety engineering.
- Collections — accounting — premium financing.

### Plan Oakland Reciprocity Drive

OAKLAND, CAL., July 26.—The Oakland Association of Insurance Agents has launched a "reciprocity campaign" in which it is asking the cooperation of all stock companies operating in the metropolitan bay area. Insurance companies are being asked to furnish the association with a complete list of employees, the number of automobiles operated by them, their yearly payroll, the number of people other than employees dependent upon the companies

**"EACH ACTION IS MEASURED  
BY THE DEPTH OF SENTIMENT  
FROM WHICH IT PROCEEDS."**

—Emerson.

## GOLDEN

Although the insurance business is one of cold facts and figures, it is the sentimental touch which lends an interest found in but few other lines of endeavor. The feeling of a conscientious agent, selling needed protection, is measured from the viewpoint of duty.

## ANNIVERSARY

With FIFTY YEARS of sincerity of purpose in this thought, the Security Fire has developed into a "human" type of company.

## YEAR

**Security Fire Insurance Company**  
Davenport, Iowa

PROTECTION SINCE 1883

# HANOVER

"81 YEARS OLD"

"ALIVE"—and "WELL"

Policy Holders' Surplus Jan. 1, 1933, \$7,441,988      Securities at market values  
**The HANOVER FIRE INSURANCE COMPANY of New York**      Charles W. Higley, Pres.

for a living, and the annual expenditure for maintenance of offices in Oakland apart from payroll. When this information has been received and tabulated by the committee, it is planned to carry out an advertising campaign in the East Bay territory, pointing out to the business houses the number of people engaged in insurance and the millions of dollars of purchasing power represented by stock insurance.

#### Hotel Men Turn to Mutuals

DENVER, July 26.—The executive committee of the Rocky Mountain Hotel Association, according to word just given out by its secretary, M. L. Tracy, recently authorized E. L. McManus, insurance counselor of the American Hotel Association, to investigate the cost of carrying insurance for hotels of the mountain region in mutuals and reciprocals.

The subject has been called to the attention of the rating bureau here by Herbert Fairall, president of the Colorado Association of Insurance Agents, and W. J. Kulp, manager of the rating bureau, has in turn referred it to J. V. Parker of the Western Actuarial Bureau.

#### Refuses Commissioner Post

LOS ANGELES, July 26.—R. M. Clarke, former superior judge of Ventura county and for many years prominent in political and legal circles here, who was appointed California commissioner by Governor Rolph, telegraphed his refusal to accept the place to both the senate and governor. He had already been confirmed by the senate.

If Governor Rolph fails to submit another name before the legislature ad-

journs this week, Commissioner E. F. Mitchell will automatically remain in office for another two years. Commissioner Mitchell is a holdover from a previous administration.

#### Portland to Hear Bennett

In addition to his appearances at association meetings in the far west, which have already been announced, W. H. Bennett, secretary of the National Association of Insurance Agents, plans to address a noon day meeting of the Insurance Exchange of Portland, Ore., Aug. 14. Before that he will have appeared at the state association meetings in Wyoming, Idaho, Montana and Washington.

There is a possibility that on his way back from his trip to the coast, Mr. Bennett will stop off at Salt Lake City to address a luncheon meeting of the Utah Association of Insurance Agents.

#### Opens Tacoma Office

The General of Seattle has opened a special service office in the Pacific Savings & Loan building, Tacoma, Wash. C. H. Hancock, formerly of Tacoma but for several years in company and brokerage business at San Francisco and Oakland, is in charge.

#### California Membership Drive

SAN FRANCISCO, July 26.—Progress so far in the membership drive conducted by the California Association of Insurance Agents has encouraged its officers to predict that within a few weeks the roll will reach the peak of 1931, when it exceeded 800 active local agents. President W. H. Menn, assisted by Secretary Frank Colridge, is per-

sonally in charge of the campaign. His regional assistants are C. T. Buckman, Visalia; Ed. R. Pickett, Sacramento, and W. W. Robinson, San Bernardino.

President Menn and Eugene Battles, past president, addressed a special meeting of the San Diego Association of Insurance Agents, called principally for the purpose of stimulating interest in the association and in furtherance of the membership drive.

#### Confer on Bridge Insurance

SAN FRANCISCO, July 26.—Members of the committee representing the California Association of Insurance Agents, San Francisco Insurance Brokers Exchange and Oakland Association of Insurance Agents will meet with E. L. Kelly, state director of public works, here tomorrow to complete definite plans for handling the remainder of the insurance on the projected San Francisco-Oakland Bay bridge.

#### Ballot on Managing Group

Ballots have been received for voting on members of the managing committee of the Mountain States Inspection Bureau for the fiscal year beginning Oct. 1. Under the articles of the bureau, the managing committee for one year is the nominating committee for the following year and the nominating committee this year recommends reelection of the managing committee, which consists of W. N. Achenbach, Aetna Fire, Chicago; A. T. Bailey, North British & Mercantile, San Francisco; E. T. Cairns, Fireman's Fund, San Francisco; H. A. Clark, Firemen's, Chicago; W. B. Flickinger, North America, Chicago; E. A. Henne, America Fore, Chicago; W. O. Wayman,

Crum & Forster, San Francisco, and W. D. Williams, Security of New Haven, Rockford, Ill.

#### Jackson on Washington Committee

SAN FRANCISCO, July 26.—H. R. Jackson, Pacific Coast manager of the Atlas, has been elected a member of the Washington advisory committee to succeed Edwin Parrish, retired. Mr. Jackson's term on the committee will expire in 1934. He had previously been an alternate with a term lasting until 1935. W. W. Gilmore, Pacific Coast manager of the London & Lancashire, was elected alternate to succeed Mr. Jackson.

#### Rally of Canadian Agents

About 25 agents representing the General of Seattle group attended a conference in the Canadian head office headquarters in Vancouver. President H. K. Dent and Arnold Derifield, assistant to the president, were present from the home office.

#### Becomes Independent Adjuster

W. L. Thibadeau, staff adjuster in Seattle for the Fire Companies Adjustment Bureau, has resigned effective Aug. 1 to establish an independent adjustment service of his own.

#### Patterson to Manage Agency

R. E. Patterson, Jr., has purchased an interest in the Mark A. Skinner Agency Co. of Denver and has been made manager. Mr. Skinner, who was recently appointed superintendent of the Denver mint by President Roosevelt, will retain a large interest in the agency.

## AN INSURANCE WELCOME

### A Cordial Welcome Awaits You At These Offices

#### Maryland Casualty Company

Chicago Branch Office

1011-1025 Insurance Exchange

Chicago

#### Great American Insurance Company

Western Department

310 S. Michigan Avenue  
CHICAGO

#### Chicago Fire and Marine Department

Lincoln Fire Insurance Company of New York

175 West Jackson Blvd.

CHICAGO

#### The Hartford Accident and Indemnity Company

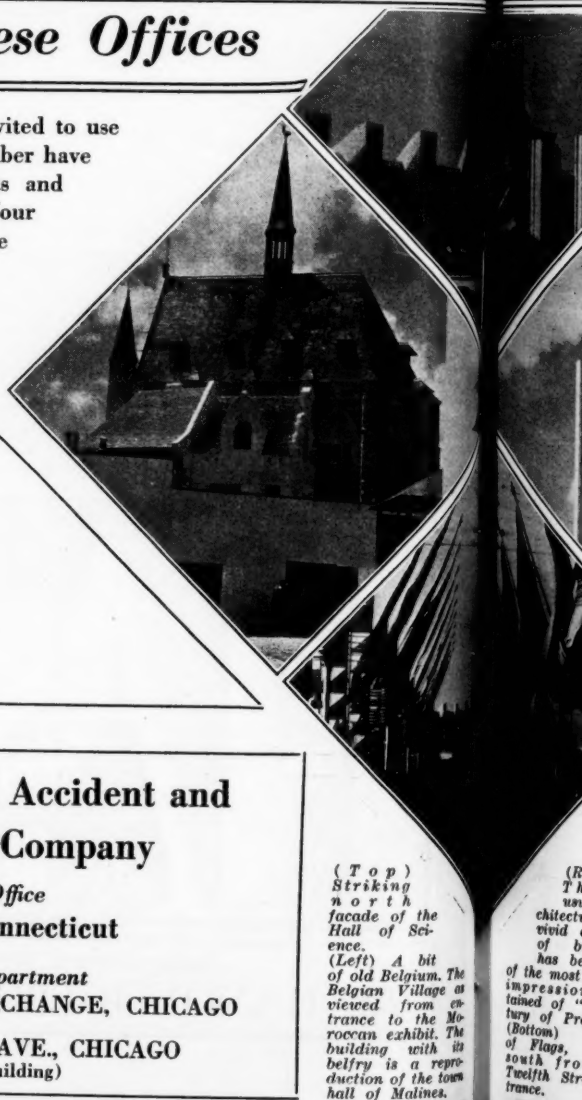
Home Office

Hartford, Connecticut

Western Department

A-1329 INSURANCE EXCHANGE, CHICAGO

or  
410 N. MICHIGAN AVE., CHICAGO  
(Wrigley Building)



(Top) Striking north facade of the Hall of Science.

(Left) A bit of old Belgium. The Belgian Village as viewed from entrance to the Moroccan exhibit. The building with its belfry is a reproduction of the town hall of Malines.

(Right) The most impressive of the many of flags, south from Twelfth Street.



## EASTERN STATES ACTIVITIES

### Common Carrier Endorsement

#### Motor Vehicle Rider in New Hampshire, Required by Public Service Commission, Is Very Broad

The New Hampshire public service commission has issued a motor vehicle endorsement for common carriers of property for hire on the public highways. This endorsement was placed on policies covering these carriers beginning July 15. The commission is requiring that these carriers have protection for a minimum amount according to the size of the truck. For instance a one-fourth to three-ton capacity truck must be covered by a minimum of \$1,000 of insurance on the cargo; \$1,500 on the three to four-ton trucks and \$5,000 on the four to five-ton trucks with larger amounts for larger capacities.

#### Waives All Limitations

The form which the commission has sent out for attachment to the policy includes some very broad statements. Among these are the following: "In consideration of the premium stated in the policy to which this endorsement is attached the company hereby waives a description of the motor vehicles insured hereunder and agrees to pay final judgment for loss or damage to cargo while in the possession of and under the control of the assured.

"It is agreed that no statement made

by the insured or on his behalf and no violation of the terms of this policy and no exceptions, exclusions or limitations of coverage in the policy shall operate to defeat or void the policy so as to bar recovery within the limit provided in the policy. It is agreed that this policy shall remain in force until the tenth day after which written notice of cancellation or expiration has been received by the public service commission. It is hereby understood and agreed that in the event of a final judgment upon any claim covered by this policy being rendered against the assured, the company will, within 30 days thereafter, to the extent of its liability assumed by the policy, pay and satisfy said judgment and to the said extent protect the assured against the levy of any execution issued on such judgment."

The New Hampshire law provides that the public service commission may investigate adjustment of these common carrier losses either on complaint or on its own initiative and may also at any time call for a record of outstanding claims. These requirements are attracting much attention from New Hampshire insurance men. The powers of the commission over insurance are considered to be exceptionally broad, particularly those pertaining to investigating claims and adjustments.

#### Change in Bridgeport Agency

C. L. Lalley has been elected vice-president of the H. I. Siegrist general

agency, Bridgeport, Conn., and will devote much of his time to developing the life department. He is succeeded as claims manager by J. P. Royston, formerly with the Travelers. L. C. Richardson, Jr., formerly of New York, will have charge of casualty and fire insurance production.

#### Files Bankruptcy Petition

W. J. Snyder & Co., of Philadelphia, one of the veteran agencies of that city, has filed a voluntary petition in bankruptcy. David Bachman has been appointed referee.

Abraham Mellinsky and I. G. Bromberg have formed the Mellinsky & Bromberg agency at Bayonne, N. J. Mr. Mellinsky was at one time a broker in New York City.

#### Old Cars on Streets

The National Automobile Chamber of Commerce has issued statistical data concerning the manufacture, sale and use of motor vehicles in 1933, which is of interest to automobile insurance people.

The chamber states that at the beginning of this year about 6,400,000 vehicles still in service were over six and a half years old—the age at which their retirement and replacement would normally occur.

In 1932, manufacturers produced 1,431,494 vehicles with wholesale value of \$793,045,300. Parts, accessories and tires produced for replacement purposes raised the wholesale value of the industry's output to \$1,553,993,480.

At the close of last year, there were 24,136,879 motor vehicles registered, decrease 6.6 percent.

The average useful life of motor ve-

hicles increased during the year from 7¼ to 7½ years. Fifty-eight percent were more than 4½ years old, 46.6 percent more than 5½ years old, 38.5 percent more than 6½ years old and 30.2 percent more than 7½ years old.

#### Argentina Tax Protested

Superintendent Van Schaick of New York has requested Secretary of State Hull to seek postponement of a decree from the Argentina government imposing a 7 percent tax on premiums of insurance placed with companies outside of Argentina which have not been licensed in that country. Mr. Van Schaick made this representation at the instance of the Association of Marine Underwriters, who contend that the Argentina ruling will effect marine insurance on commerce between Argentina and the United States. Mr. Van Schaick takes the position that trade relations between Argentina and the United States will be impaired through the imposition of penalty taxes and there is a possibility of retaliatory action on the part of other nations. The world-wide practice in marine insurance is to give importers and exporters freedom of choice in the placing of marine insurance.

#### Miscellaneous Notes

The Acme Insurance Service, Indianapolis, has been incorporated by G. J. Purcell, D. M. Purcell and O. W. Shafer.

The Falls Insurance Agency, Waukesha, Wis., has been incorporated by J. E. Zimmer, M. F. Schwalbach and W. S. Goode.

John N. Adams, Jr., has joined the Adams Insurance Agency, Sault Ste. Marie, Mich. John N. and Paul L. Adams operate the agency.

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## Whisky Gambling Vexes Insurance

(CONTINUED FROM PAGE 3)

there will be a considerable shortage of old whisky after prohibition is repealed.

Under date of May 9, the new rules of the Kentucky Actuarial Bureau changed the plan of writing whisky insurance from market values at time of loss to valued form, coinsurance, and permitted maximums of \$30 per barrel up to 1 year; \$45, 1 to 2 years of age; \$60, 2 to 3 years; \$75, 3 to 4 years; whisky, 4 or more, made after September, 1917, \$150 a barrel; whisky made prior to 1917, \$300 a barrel. Case goods maximums were \$15 for 4 years or older, made after 1917, and \$50 for whisky made prior to 1917.

Agents are having a hard time in satisfying whisky owners, who figure that stocks on hand are far more valuable than insurance coverage obtainable.

#### Want Increased Coverage

The result has been that agents have been trying to get the companies to increase the amounts of coverage. So far nothing has been done. There may be some increase, but to nothing like what the distillers are asking.

There is a possibility that the distillers, in lieu of increased coverage, will undertake to secure valued profit insur-

ance on whisky in hand, which would probably cost them considerably less money through marine underwriting than higher maximums per barrel or case.

Insurance companies hesitate to write valued policies in amounts covering current values of green whisky. They fear if there is a collapse in the speculative market for this commodity, there will be considerable moral hazard among some of the second rate operators.

#### New Business in Louisville

An increasing amount of new whisky coverage is being handled by Louisville agents. The Liberty Bank & Trust Co. is placing insurance on the Wathen warehouse stocks of the American Medicinal Spirits Corporation, Louisville, while Gaunt & Harris have been placing new coverage on whisky stored by the Frankfort Distillery Co. and E. S. Tachau & Sons last week took on a line of almost \$1,000,000 as a result of the sale of the Wright & Taylor Co., now the Wright & Taylor Distilling Co., to U. S. Distillers, New York, who announced plans for a new distillery and rectifying house here.

With Frankfort Distilling Co. running 85 barrels of new production daily and the Wathen plant of A. M. S. at 300 barrels a day, it is meaning more new whisky coverage than for a long time. The Glenmore Distillery at Owensboro, offices Louisville, and George T. Staggs Co. plant at Frankfort, Ky., are both running. The latter is producing 100 barrels a day. The Glenmore has a normal capacity of 400 barrels and has run 525 barrels a day at times. The latter is the biggest plant in the state, but not running full.

#### Many Angles to Question

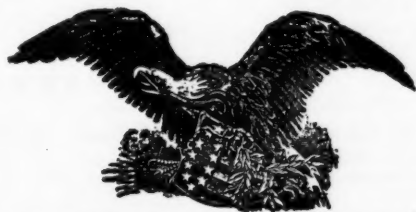
There are many different angles to the clamor that is being made in Kentucky for larger limits per barrel or case on whisky in bond. Distillers have been deviling their agents for higher limits than the companies will permit, and agents in turn took the matter up with their companies, and the latter with the subscribers actuarial committee.

G. H. Parker, manager Kentucky Actuarial Bureau, made a survey of the situation and reported to Chicago.

In the spring there was demand from distillers for valued policy forms, instead of basis of market value at time of fire. The distillers claimed that the bankers in lending money on warehouse receipts wanted something tangible as regards value in event of loss, and recognizing the soundness of this position, maximum coverages per barrel or case were established, under the co-insurance form, and the new forms were printed, which proved quite satisfactory for a time. The new forms became effective May 9.

Then with state after state joining the wet ranks plus prospects that the federal government will issue more and larger permits for whisky production, in anticipation of increased demand and repeal, whisky values began jumping.

Several new syndicates have been



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## More Assets Better Assets Greater Liquidity

ANNUAL STATEMENT December 31, 1932

### ASSETS

Cash in Banks.....	\$ 273,447.02
U. S. Bonds and Treasury Notes.....	319,741.00
Other Bonds .....	236,657.50
Stocks .....	1,367,555.22
Mortgage Loans .....	213,780.95
Collateral Loans .....	86,607.33
Due from Agents and Other Companies (Not over 90 days old).....	269,391.64
Real Estate .....	186,778.46
Accrued Interest .....	14,481.66
Other Admitted Assets.....	13,871.64
Total .....	\$2,982,312.42

### LIABILITIES

Reserve for Unearned Premiums.....	\$ 856,199.06
Reserve for Losses.....	66,366.23
Reserve for Taxes.....	18,000.00
Due to Other Companies.....	28,882.03
Other Liabilities .....	1,609.78
Cash Capital .....	1,000,000.00
Net Surplus .....	1,011,255.32
Total .....	\$2,982,312.42

All bonds carried at amortized values. All listed stocks carried at market, Dec. 31, 1932. All other stocks carried at values fixed by Texas Insurance Department Examiners.

### COMPARISON WITH LAST YEAR

	1931	1932
Net Premiums Written.....	\$ 870,180.02	\$1,052,478.87
Reserve for Unearned Premiums.....	722,544.22	856,199.06
Assets .....	2,940,492.14	2,982,312.42
Surplus to Policyholders.....	2,017,740.88	2,011,255.32

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formed or are in process of formation. Such concerns have been buying up, or attempting to buy up old distillery plants, warehouses, sites, old and new whiskies in hand, and lay their plans for being ready to meet demand after repeal. In many instances such interests plan to blend old and new whisky along with cognac spirits, thus making a little old whisky go much farther.

Considering normal consumption of whisky, prior to prohibition, of from 140 million to 167 million gallons per year, including approximately 60,000,000 gallons of straight whisky, the rest blend; and considering that there are only about 4,500,000 gallons of old whisky in the country today, this old whisky for blending purposes has become very valuable. In addition to the old whisky there was 2,000,000 gallons of whisky made in the winter of 1929-30, which will be four years old this coming winter and which may be bottled in bond, if desired, or moved to free warehouse and blended. About 1,000,000 gallons were made in 1931; 3,000,000 gallons in 1932; and about 3,000,000 gallons the first half of this year. Anticipated permits for the latter half of the year are around 4,000,000 gallons, making a total of 17,500,000 gallons of straight whisky that will be available, when prohibition is repealed, less such old whisky as is bottled and sold this year, as the 4,500,000 gallons in bond was as of the first of the year.

#### Not a 60 Day Supply

Of course 17 to 18 millions of gallons would not be a 60 day supply in event of repeal, but this same whisky by blending and addition of spirits and distilled water, can be stretched into a much larger gallonage.

Old rectifying and wholesale interests are wild to get back into the business. However, the distillers are not showing any great attention when such interests make propositions for purchase of whisky. It is being intimated that the distillers will blend whiskies themselves, or through subsidiary corporations which they will own, and if there is an extra profit to be made, make it themselves.

The consequence is that stock has been very scarce, and the few sales that have been made were at fancy prices, which has tended to boost all values. In many instances distillers have named impossible prices to scare off prospective buyers. All of this has tended to establish high and fictitious values.

#### Misconception Is Cited

There is a misconception that whisky has to be four years of age to bottle. This is true of medicinal whisky, which can only be bottled in bonded bottling plants. However, with repeal the distiller can remove bonded whisky to so-called free bottling houses, or rectifying or blending plants, and there add water and spirits and put it out as a blend, which can not carry a bond stamp. A bonded stamp merely guarantees that whisky is at least 100 proof, that it is straight whisky, with nothing added but reduction water; and that it is at least four years of age, the stamp carrying the spring or fall season in which it was made and bottled.

Of the hundreds of old plants in Kentucky today there are but four operating, and only about ten companies in the state hold permits. Several of these had their whisky made up in one or another of the operating plants, and can today put a plant in condition, and transfer their operating permit to that plant. As the present federal regulations are understood, no one that has not been in business right along, and kept up

their brands, and produced or had new whisky produced for them, from time to time, can secure an operating permit.

Considering the cost of a barrel of new whisky, including a \$6 white oak, charred package, at about \$20 per barrel actual cost of producing and bonding, it would seem that \$30 a barrel maximum would represent a sound value, and that the idea of asking \$300 on such a barrel is absurd.

#### Companies with Old Stocks

Operating companies, or those holding permits, have something of a monopoly on the distilling business; and companies with old stocks are in an enviable position, but it is unreasonable to figure that something costing \$20 has an insurable value of \$300.

At least some owners of whisky, many of whom apparently paid too much for their whisky, figure that new whisky should be insured for \$200 a barrel; one year old, \$225; two year old, \$250; three year old, \$275; four year old, \$300 to \$400. Of course old whisky has insurance, storage and other charges piled up against it, along with reduced liquid contents from evaporation and wood soakage.

There is some argument among distillers, and among some insurance companies, to go back to the old market value program of insuring whisky, in that it would enable them to secure larger coverage. Either that will be done, or else values may be advanced somewhat over the maximums now allowed, although there are many who figure that whisky should be written on valued forms, and any extra value cared for under anticipated profits insurance, using marine forms.

With the return of distilling in a big way in Kentucky after anticipated early repeal of prohibition numerous changes in old and inadequate methods of construction of distillery warehouses can be anticipated.

The generally used method in all brick or frame, metal clad warehouses, was an open brick framework construction run from ground to roof, and wherein fire once started meant entire contents burned.

#### Frankfort Distillery Program

The Frankfort Distillery Co., Louisville, controlling the A. Ph. Stitzel Distillery, Louisville, has under way a program whereby floors are being installed in the Stitzel warehouses every 14 feet and eight inches, with complete sprinkler systems, through each floor. Under this plan in event of fire, heat would be confined to only the 14.8 space, meaning that the sprinkler heads would open more quickly, and the fire put out before it could burn through the heavy oak barrels and ignite the liquor.

Sprinklers have been used in warehouses, but under the old method of installation, and without cutoff floors, a credit of only about 5 percent was allowed. It is estimated that installation of the program to be used in the Stitzel plant will reduce rate approximately 50 percent.

Distillery warehouse insurance is high. In protected towns rate on frame warehouses is approximately \$1.85 and contents, \$1.15; brick, \$1.13 and .78. Unprotected towns frame buildings, \$2.10, contents, \$1.30; brick, \$1.25, and contents, 80 cents. Frame warehouses are mostly metal clad.

The G. C. Wright Company, Petersburg, Va., a new agency, has been incorporated with G. C. Wright as president; Nellie B. Wright, vice-president; Mary C. Wright, secretary. This is a new agency.

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SAN FRANCISCO



# Standard Surety & Casualty Company of New York

HOME OFFICE 80 JOHN STREET, NEW YORK, N. Y.

## Financial Statement, June 30, 1933

### ASSETS

<b>Cash in Office and Banks</b> .....		<b>\$2,169,570.53</b>
Bonds:		
United States Government .....	\$ 362,222.31	
Municipal .....	710,023.71	
Railroad .....	142,683.14	
Public Utilities .....	170,731.70	
Miscellaneous .....	49,341.92	<b>1,435,002.78</b>
Stocks:		
Preferred .....	\$ 435,280.00	
Common .....	619,894.50	<b>1,055,174.50</b>
Premiums in Course of Collection (Not over 90 days) .....		<b>689,108.25</b>
Accrued Interest .....		<b>12,525.01</b>
Other Assets .....		<b>4,091.56</b>
<b>Total Admitted Assets</b> .....		<b>\$5,365,472.63</b>

(Bonds and Stocks valued on New York Insurance Department Basis).

### LIABILITIES

Reserves:		
For Claims and Claim Expense .....	\$ 656,379.00	
For Unearned Premiums .....	1,029,755.19	
For Commissions .....	147,634.72	
For Other Liabilities .....	48,100.00	<b>\$1,881,868.91</b>
<b>Contingent Reserve</b> .....		<b>604,589.11</b>
<b>Capital</b> .....	<b>\$1,500,000.00</b>	
<b>Surplus</b> .....	<b>1,379,014.61</b>	
<b>Surplus to Policyholders</b> .....		<b>2,879,014.61</b>
<b>Total</b> .....		<b>\$5,365,472.63</b>

FRANK G. MORRIS

President



# The National Underwriter

July 27, 1933

CASUALTY AND SURETY SECTION

Page Twenty-five

## Committee Is to Probe Department

Ohio Senate Provides for Investigation of Workmen's Compensation

### MUCH CRITICISM HEARD

State Monopolistic Fund Administration Will Be Put Under the Search Light

The Ohio legislature adopted a resolution providing for the appointment of a senate committee to investigate the workmen's compensation law in that state with a view of determining remedial legislation. Ohio has a monopolistic compensation act. No private company writes compensation in the state directly or indirectly. Senators M. C. Harrison, B. R. Donovan, Paul Yoder, C. D. Sheppard, J. A. Lloyd and W. E. Handley have been appointed to make the inquiry. The resolution asked that a complete report be submitted by the committee at the next general assembly. The preamble to the resolution reads:

#### Much Dissatisfaction Found

Whereas, There appears to be a great deal of dissatisfaction and complaint upon the part of injured employees and the dependents of killed employees coming under the provisions of the workmen's compensation law of Ohio, in relation to their inability to have their claims passed upon and decided in a reasonable time by the industrial commission of Ohio after filing such claims and investigations thereof and hearing thereon have taken place;

Whereas, There is reported to be a considerable dissatisfaction among those members of the medical profession treating injured workmen because of undue delay in having their bills for such service acted upon and paid by the department of industrial relations;

#### Hardship Is the Result

Whereas, It is reported that because of this undue delay in acting upon such workmen's compensation claims and the payment of physicians' and surgeons' fees, a great hardship is being inflicted upon such injured workers and dependents of killed workers coming under the provisions of the Ohio workmen's compensation law;

Whereas, It is reported that the conditions asserted above have been created by the release from the department of industrial relations of 100 employees in the division of workmen's compensation, thereby reducing the personnel of the division to such an extent that the business of the division cannot be efficiently and expeditiously disposed of;

Whereas, It is further reported that the employees of the department of in-

## Safety Deposit Liability Policy Is Now Promulgated

NEED OF FORM RECOGNIZED

Pays Sums for Which Lessor May Become Liable for Loss of Property in Boxes

A policy undertaking to reimburse the proprietor of safety deposit boxes for liability imposed by law because of loss to lessee's property in the boxes has been promulgated by the National Bureau of Casualty & Surety Underwriters. It is called the safe depository liability policy. Sponsors of the policy believe it fills the need because bankers' blanket bonds do not provide burglary or hold-up coverage on customers' property in deposit boxes. The blanket safe deposit box burglary and robbery policy restricts the coverage on any one box to 10 percent of the total amount of the policy and it does not include money. The minimum premium for the form is \$500. That amount provides protection of \$100,000; for \$200,000 the premium is \$700; for \$300,000 the premium is \$800; for \$400,000 it is \$900; for \$500,000 it is \$1,000; for \$1,000,000 it is \$2,000, and over \$1,000,000 it is 50 cents per thousand.

#### What Policy Covers

The company agrees to pay on behalf of the assured all sums for which he shall become obligated by reason of the liability imposed upon him by law for loss or destruction of, or damage to, any property in the safe deposit vault of the premises occupied by him in conducting a safe deposit business.

The insurer is not liable for any claim assumed by the insured under any contract or agreement, nor for any claims not discovered until after 12 months from the date the policy expires, nor for property owned, leased or held as collateral or in trust by the assured.

The policy provides that no action shall lie against the company unless it is brought after the amount of the claim is definitely determined by final judgment or agreement of the parties with the consent of the insurer and the action must be brought within two years after such determination.

Bankruptcy of the assured does not relieve a company of liability. Where loss exceeds the amount of insurance, the cost and expenses are to be prorated between the assured and the company in proportion to the total value of the property affected by the loss.

Any payment shall reduce the amount of liability, but this deficiency may be reinstated upon payment of additional premium.

Industrial relations, following a reduction in their salaries, are being compelled to work 54 and more hours per week without extra remuneration;

Whereas, It is generally reported that in the administration of the workmen's compensation law a system of legalism has developed, injurious to those coming under the provisions of the law; and

Whereas, It is necessary that the general assembly have information re-

## Much Interest in Deal of U. S. Guarantee, Todd Firm

NEW YORK MAY INVESTIGATE

Surety Men Wonder Whether Scheme Is Consistent with Van Schaick's Pronouncement as to Promotions

NEW YORK, July 26.—Owing to the active opposition of members of the Surety Association to the check forgery rates filed by the United States Guarantee prior to the announcement that the Todd Sales Company, managing the sales forces of a check protector machine and safety paper company, had been appointed general agent, the insurance department is likely soon to set a date for a hearing on this matter. It is expected that other check writing machine concerns and safety paper manufacturers, including the American Bank Note Company, will take an active interest as well as surety underwriters.

Todd salesmen in the past have offered \$10,000 check forgery policies in connection with a sale of their products for as low as 50 cents. The General Indemnity of Rochester, organized by Todd interests, was the former carrier for this Todd sales plan but is no longer controlled by them. The low loss ratio of the General Indemnity is stated to have been part of the showing made by the U. S. Guarantee when filing rates considerably lower than the Towner Bureau.

Surety underwriters express much surprise over the department's attitude in allowing the United States Guarantee to devise a sales plan depending on sales of a product other than insurance. A week or so ago the department made a ruling that declared a general disapproval of schemes for "selling or giving away of insurance in connection with the sale of securities, commodities, services and/or subscriptions wherein insurance companies and their representatives in fact become parties to a promotional enterprise."

garding the above conditions in order that adequate appropriations may be made and such changes in the workmen's compensation law may be suggested that will remedy the above conditions, if they are found to be true.

## F. & D. Is Awarded Farm Bought by Stolen Funds

LAPEER, MICH., July 26.—The Fidelity & Deposit came into possession of a farm in this county by virtue of an award by the circuit court on a claim that the farm had been purchased with funds stolen from the Clarkston bank. As the company paid the holdup loss to the bank, it took subrogation rights and immediately started suit to seize the farm, which bandits had purchased after the robbery.

## Early Boom for Surety Unlikely

Many Sources of Revenue in Past Now Closed or Restricted

### FIDELITY OFFERS HOPE

Federal Construction and Liquor Activity Promise the Only Immediate New Income in New Deal Prosperity

NEW YORK, July 26.—In surveying the surety field, executives are inclined to doubt that this branch of the business will respond as quickly to general business improvement as will casualty and fire insurance. So much of what was formerly the best and largest part of a surety business is now proscribed so that its immediate future does not appear brilliant.

In the past, depository writings comprised a substantial and highly profitable part of the business. Now this business seems to be permanently cast off. Even should the companies feel that the banking situation had been stabilized so that the depository risk could again be assumed, the federal depository fund is likely soon to be put in operation, which pretty largely eliminates private sureties.

#### Public Official Bonds

Then there is the large field of public official bonds, which is now eschewed by the sureties even where there is no depository liability involved. The losses under these bonds, which ordinarily furnish such a large portion of the surety income, have been so large and numerous that public official business is decidedly an accommodation line at present. Even where the statutes have been amended to relieve the public official depository responsibility, the companies are wary, feeling that they would be exposed to litigation in the event of loss even though their chance of prevailing in the end would be good. Regardless of the depository hazard in connection with public official bonds, there have been heavy losses because of defalcations of public officials. The revenue from this class of business, which was steady, dependable and attractive, is likely to be considerably restricted for some time.

As to contract bonds, there is the likelihood of considerable revenue because of the vast projects launched and soon to be launched by the federal government. That is about the only increase in revenue that is definitely in sight and it seems to be about the only manner in which the surety companies will participate soon in the new deal prosperity. Contract business has always been spasmodic both for agents and companies. So far as the agents are concerned the prospect does not look bright because

(CONTINUED ON PAGE 28)

# AMERICAN AUTOMOBILE INSURANCE COMPANY

## FINANCIAL STATEMENT, JUNE 30, 1933

### ASSETS

U. S. Government Bonds.....	\$ 807,550.86
State and Municipal Bonds.....	263,878.45
Railroad Bonds .....	1,014,546.93
Public Utility Bonds.....	1,606,210.32
Industrial Bonds .....	353,528.82
Total Bonds* .....	4,045,715.38
Stocks** .....	3,303,771.98
Total Investments .....	7,349,487.36
Premiums in Course of Collection (Less than 90 Days Old).....	1,425,200.80
Cash .....	1,126,841.51
Accrued Interest .....	38,609.57
Due from other Companies.....	23,102.63
All Other Assets.....	43,694.69
Total Admitted Assets.....	\$10,006,936.56

\* Bonds valued according to New York Insurance Department's Amortization Formula.

\*\* Stock values as prescribed by National Convention of Insurance Commissioners.

### LIABILITIES

Reserve for Unearned Premiums.....	\$ 3,411,071.02
Reserve for Liability Claims and Claims Expense (N. Y. Law).....	2,617,620.03
Reserve for other Claims.....	116,209.44
Reserve for other Claims Expense.....	23,241.88
Reserve for Commissions (Not Due).....	319,336.28
Reserve for Taxes.....	93,562.17
Reserve for other Liabilities.....	15,616.65
Reserve for Contingencies.....	1,386,882.38
Capital Stock .....	\$1,000,000.00
Surplus .....	1,023,396.71
Surplus as Regards Policyholders.....	2,023,396.71
Total Liabilities .....	\$10,006,936.56



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AMERICAN AUTOMOBILE INSURANCE COMPANIES  
ST. LOUIS

L. A. HARRIS, *President*

## Interesting Decisions in Credit Insurance Field

### NATIONAL SURETY IS LOSER

**American Credit Indemnity of St. Louis  
Wins Suit in the Supreme Court  
of Tennessee**

The United States circuit court of appeals for the sixth circuit (Michigan) has decided against the insurer in a credit insurance case, it being National Surety vs. Mutual Veneer Company.

Danehower, an agent for the National Surety, inserted in the proper blanks of the application the amount of gross sales, losses and allowances, taking the figures for the years 1924-28 from a personal record kept by the president of the veneer company and checked them against the books of the company. This record was complete only for the first four months of the year 1929 and Danehower added the figures for the months of May and June from the sales book of the veneer company. He then inserted the amount so arrived at as the gross sales less allowances and returns for the year 1929 to June 1, while in reality the figures embodied the sales to July 1.

#### Not Due to Fraud

The errors or mistakes were not due in any way to fraud or wrong doing on the part of the president of the veneer company, but the National Surety claimed that under the provisions of the policy Danehower was the agent of the veneer company so that the errors in the figures amounted to a breach of warranty and voided the policy from the beginning.

The court held that the variance between the reported and actual gross sales, less allowances and returns for the five month period ending June 1, 1929, had little, if any, bearing on the assumption of the hazard. Judgment for the veneer company was upheld.

The Tennessee supreme court, in a case involving credit insurance, held for the insurer. The case was American Credit Indemnity vs. Christian et al.

The insured sought to recover for a loss of \$2,948 resulting from sales of lumber to Harmon-Leftwich Company between Jan. 1 and Feb. 6, 1930. The loss was caused by the insolvency of Harmon-Leftwich Company. The policy insured against loss from debtors who had a certain capital and credit rating in the latest book of the Lumbermen's Credit Association at the time of shipment. The liability was excluded for loss resulting from shipment made, prior to payment of the deposit premium, to debtors who were then in unsound financial condition and liability for loss on shipments made, prior to payment of the premium, to a debtor, whose rating was reduced either as to capital or credit or both. The insured insisted that Harmon-Leftwich Company was not in unsound financial condition at the time of payment of the deposit premium and that the company's rating was not reduced between Jan. 1, 1930, and the time of payment of the deposit premium.

#### Why Auto Rates Are Up

**JERSEY CITY, July 26.**—J. R. Craig, safety director Pennsylvania Indemnity, gave the reasons for the high cost of automobile insurance in this county in a talk before the Kiwanis Club. He pointed out that for every dollar paid for insurance premiums in 1927, 72 cents was paid out on claims while in 1931 \$1.22 was paid out for every dollar paid in. For every 100 automobiles insured in 1927, 9.6 claims were made, compared to 21.5 in 1931.

**Peter Jepson**, formerly with Standard Accident, has been appointed inspector for the London Guarantee, working out of the Ely & Hoose agency, Inc., Kansas City, Mo.

## Early Boom for Surety Unlikely

(CONTINUED FROM PAGE 25)

more and more contract lines are being handled politically.

Many of the surety companies have about come to the conclusion that the only field that will yield to real development work is fidelity. A large number of banks, it is true, have passed out of existence, taking with them attractive fidelity schedules and schedules of other banks have been reduced because of the smaller volume of business. Many executives feel, however, that the loss of bank business can be more than offset by the sale of commercial fidelity bonds. This is a field that has barely been scratched, but which offers a good response to solicitation. The depression has taught thousands of concerns the necessity for fidelity protection. Employers everywhere have been shocked to find that trusted employes have weakened. Those employers who have not suffered loss, nevertheless know of losses that have occurred in other concerns. They have been jolted out of a complacent belief in the integrity of their employes. Here, therefore, lies an opportunity for creating revenue that is not dependent on the political set-up and can be counted on as permanent. At present, it cannot be said that fidelity business is booming, since some of the existing schedules covering concerns, whose business has not increased, are being reduced in amount. About the only concerns whose schedules are being increased these days are stock brokerage houses and in most cases the increase amounts to a restoration of former amounts of protection.

The best that could be said for the fidelity field is that it offers an opportunity.

One encouraging feature in the surety

field is the fact that private concerns seem to be requiring bonds of contractors. This is particularly true these days in connection with repair work, a good deal of which is in progress. The surety people have always been eager to have surety facilities used more extensively throughout the realm of private business and it is possible that progress may be made in this direction because of the lessons of the depression, wherein weaknesses were exposed in the set up of so many operators that prevented them from performing their obligations.

The steady flow of revenue from miscellaneous bonds even has been interrupted for surety companies. For instance, license bonds formerly were issued almost automatically, but now a new statement is required each time the bond is renewed and if the statement is questioned, the bond is likely to be rejected.

The various classes of court bonds are still sought by the companies, but this business is uncertain, depending on political and court hook-ups to a large extent.

All in all, the surety companies are not anticipating much of a boom. There is not much activity in the way of new business today in the surety field except for beer bonds. Much of what looks like new business turns out to be risks that other companies have declined to renew because of the experience or because of some fear of what might happen. Very often, risks of this kind will be submitted to a company on the ground that the holder of a bond is leary of the surety company, which issued it. It usually turns out that the surety company was dubious about the risk.

### New Jersey Auto Accidents Cause Tightening of Lines

**NEWARK, July 26.**—Companies are much concerned over the large number of automobile accidents in New Jersey since June 1. Many are of a minor nature yet sufficiently large enough to justify a claim. Some of the claim departments are working overtime to keep up with the claims that are pouring in. Many of the claims are less than \$100, but they demand as much attention as the large ones.

Some of the companies are putting the lid down tight on that particular line of business except in that case of an exceptionally good risk that carries other insurance with the company.

#### Baltimore Insurance Playday

**BALTIMORE, July 26.**—An insurance outing, sponsored jointly by the Chesapeake Blue Goose and the Insurance Society of Baltimore, was held at Crystal Beach. For several years each association has held an annual outing, but this year they combined and sponsored what will be known hereafter as "Insurance Playday." The committee of arrangements of the Baltimore Society consisted of E. L. Brady, F. A. Fowler and E. H. Donaldson, while the Blue Goose officials were A. M. Sullivan, W. C. Carter and F. F. White.

#### Goetz Talks to Rotarians

"Every driver of a car helps to determine the cost of automobile insurance," George Goetz of Hoff & Goetz, Milwaukee, general agents United States Fidelity & Guaranty, told the Rotary club at Neenah, Wis. He said the cost of such insurance is determined by the number of accidents and the number of accidents is determined by the interest or lack of interest on the part of the motorist.

### Bus Liability Situation in Mississippi Is Complicated

**JACKSON, MISS., July 26.**—Complications have grown up in Mississippi over the public liability insurance required of intercity buses. A bus owner complained to Commissioner Riley that a non-admitted company would not pay a claim. The railroad commission, which regulates bus traffic, under its discretionary power requires each bus driver to carry public liability on his cars, designating an agency in Hattiesburg to write the business. When Commissioner Riley learned that a part of this business was being placed in non-admitted companies he promptly wrote the agent, who admitted the fact, and promised to cooperate in the collection of the claim. The agent stated that it was difficult to get the coverage required by the railroad commission in admitted companies. Mr. Riley also got in touch with members of the railroad commission and urged them in the absence of law to accept liability only in admitted companies. The commissioners were indifferent, explaining that a part of the bus traffic was interstate and holding because of this fact that they should not require liability insurance to be carried only in companies licensed in Mississippi.

#### Virginia Deviations Approved

The Virginia corporation commission has approved for a 90-day period deviation in automobile liability rates filed by the Consolidated Underwriters, Consolidated Indemnity and Car & General.

#### Ricketts with Reinhardt

Guy Ricketts, formerly Texas manager for the Union Indemnity, has been placed in charge of the casualty department of I. Reinhardt & Co., general agents, Dallas.

## Emergency Powers of N. Y. Department to Be Tested

### VAN SCHAICK JOINS IN CASE

**Intervenes in Appeal Which Involves  
Status of Guaranteed Mort-  
gage Certificate**

In order to get a judicial determination of the emergency powers granted the insurance department by the New York legislature, Superintendent Van Schaick has intervened in an appeal taken to the appellate division by the Bond & Mortgage Guarantee Co. from the judgment of Supreme Court Justice Strong awarding \$10,000 in favor of C. A. Tibbetts, owner of a guaranteed mortgage certificate issued by the company.

Tibbetts' certificate became due last December, but he never received the money. Under his emergency powers, Mr. Van Schaick promulgated rules which permitted title and mortgage companies to refrain from paying on certificates which became due.

#### Statement by Van Schaick

Mr. Van Schaick issued a statement that the emergency powers were exercised in the field of mortgage guarantee companies in the hope that there could be worked out plans for rehabilitation that would protect the public as far as possible.

"Misunderstanding as to the scope and the intent and use of the emergency powers should be cleared up on the appeal," Mr. Van Schaick stated. "It is for this purpose only that the department will intervene."

Judge Strong held that the emergency powers do not give the insurance superintendent authority to make rules governing then existing mortgages issued by a mortgage guarantee company. He expressed the belief that the emergency rules were designed to give the mortgage guarantee companies a chance to go into bankruptcy so they wouldn't have to pay anybody.

#### Protest Glass Rate Increase

Protests have reached the National Bureau of Casualty & Surety Underwriters about the 100 percent increase on certain forms of plate glass in Chicago. Some of the company members have virtually informed the bureau that they do not propose to charge these rates, and there is a possibility that the bureau will not insist that they be charged. Some of the Chicago people apparently feel that the malicious breakage situation is greatly improved and that the increase is beyond reason.

The suggestion has been made to the bureau that a system of retrospective rating be authorized. That is the recently increased rate could be used and then liberal dividends could be returned to policyholders who did not suffer loss.

#### Limiting Counter Cash Pays

**OKLAHOMA CITY, July 26.**—Material reduction in bank robberies in Oklahoma is reported by Secretary E. P. Gum of the Oklahoma Bankers Association since the adoption, about 30 days ago, of the policy of keeping only 15 percent of a bank's cash out of time vaults.

He considers this move the most telling defense adopted in years. "Putting 85 percent of the cash in vaults beyond the reach of bandits removes the biggest cause of bank robberies," he said. The policy has been applied to banks in cities having population of less than 25,000, but not to larger communities. At one time bank robberies in Oklahoma were averaging one a week, and insurance companies suffered heavy losses.



## Two Managers Are Given Recognition by the F. & D.

### RESIDENT VICE-PRESIDENTS

**Titles Are Awarded to L. C. Rosenkrans of Washington, D. C., and L. W. Moore of Boston**

BALTIMORE, July 26.—Managers of two other branch offices in addition to W. H. Hansmann of Chicago, Illinois manager, have been promoted to resident vice presidents by the Fidelity and Deposit, it is announced. The others are L. C. Rosenkrans of Washington, D. C. and L. W. Moore of Boston.

Mr. Rosenkrans first joined the F. & D. as a special agent in Washington in 1926, following a course of training at the home office and shortly after was made assistant manager. The following year he was promoted to manager, a position he has held ever since in addition to being in charge of the Washington service office.

Mr. Moore joined the F. & D. force in 1912 as a member of the staff of the V. L. P. Shriver general agency in Pittsburgh, and with the exception of a little over a year when he was in the World War, has been with the company ever since. In 1919 Mr. Moore was transferred to Detroit as an auditor and adjuster and the following year was transferred to the Boston branch as a special agent. Three years later he was made assistant manager, serving in that capacity until 1931 when he was promoted to manager.

### Rolfe with Ocean Accident

Henry H. Rolfe, who has been manager of the claim department for the Globe Indemnity in Chicago about four years, has joined the Ocean Accident in that city as claims manager. He succeeds D. W. Elliott, who resigned to take a similar position with the Bankers Indemnity.

Mr. Rolfe has attained considerable prominence lately because of his work in connection with the occupational disease situation. He has made a careful study of this phase of the compensation business and has addressed several insurance gatherings on the subject.

Before his connection with the Globe Indemnity, Mr. Rolfe was claim examiner in the home office of the Zurich and before that he was general counsel for the Integrity Mutual Casualty. He started with the Georgia Casualty in Minneapolis, later joining the Integrity Mutual in that city and then being transferred to Chicago as general counsel. He is vice-president of the Casualty Adjusters Association of Chicago.

### Hearing on Standard Policy

A. E. Spottke, manager automobile department of the National Bureau of Casualty & Surety Underwriters, has called a meeting of the West Virginia automobile liability policy committee for Thursday of this week in Charleston. The agents' committee consists of C. W. Thornburg, chairman; F. R. Bell and W. F. Leaper. A standard form of automobile public liability and property damage policy to be used by all companies in West Virginia will be further discussed.

Several meetings on the subject have been held since Jan. 1 of this year by the committee. The matter was instigated by former Commissioner Lawson, who adopted a standard form of policy and requested all companies immediately to substitute it for the ones then in use. The appointment of the present committee followed. Deputy Commissioner Justice has set Aug. 1 as the final date for submitting the form agreed upon by all companies.

## Compensation Plan to Be Reported in 60 Days

NEW YORK, July 26.—The outcome of the conference on compensation held here recently at the instance of Superintendent Van Schaick of New York was an agreement on the part of a committee representing the National Bureau of Casualty & Surety Underwriters to report within 60 days a plan for writing compensation insurance, which would take into consideration many of the suggestions that were brought out at the conference.

### Report to Van Schaick

The plan is to be submitted to Mr. Van Schaick, as chairman of a subcommittee of the compensation committee of the National Convention of Insurance Commissioners. This committee will make a report at the December meeting of the commissioners' convention in New York City.

Possibly the plan may comprehend the retrospective rating and work hour features, which have been so strongly advocated by the National Association of Casualty & Surety Agents.

### Ferris Joins Williams

LOS ANGELES, July 26.—G. J. Ferris has been appointed special agent for the E. D. Williams & Co. general agency of Los Angeles. He was formerly manager here for the Central West Casualty, prior to which he was superintendent of the casualty department of the Los Angeles branch of the U. S. Fidelity & Guaranty for four years.

## Difficult to Secure Data on the Cinema Celebrities

### PROBLEMS OF LOS ANGELES

**Manager Beckham of Retail Credit Co. Tells of Some Perplexities Confronting Investigators**

Manager R. P. Beckham of the Retail Credit Company at Los Angeles gives some interesting information on inspections for burglary insurance. He states that underwriters feel that moral hazard is about 95 percent of the risk. Los Angeles, he says, presents a problem in burglary inspections on account of the rapid growth in population and because the city is a mecca for tourists. A large percentage of its people are of the retired class. Then there is the extensive colony of "celebrities."

### Difficult to Check Up

Many have been at their present location but a short time and it is difficult to trace them back. Landlords are not so particular about investigating people as they have been. Manager Beckham states that if a person can pay a month's rent very few questions are asked of him. This complicates the situation for the inspector. He states that inspectors aim to cover at least three years time in making a report but in so doing at Los Angeles they are often required to investigate at five or six addresses. The tourists going to Los Angeles have no business connections locally and therefore the investigation has to be made through residential sources.

## Settlement Reached with Union Trust of Baltimore

BALTIMORE, July 26.—A settlement was reached this week by state officials with 10 of the 12 surety companies bonding Maryland deposits in the Union Trust Company, now operating on a restricted basis, and under the terms of the agreement a cash payment of \$994,000 will be due on the account of \$2,000,000 on deposit as soon as the financial institution begins to operate on its reorganized basis. Another \$594,000 of the \$2,000,000 will be guaranteed to the state for a five-year period by the bonding companies. The state will hold claims totaling \$412,000 against two surety companies in the hands of receivers.

### Sureties on Risk

Surety companies involved are: Fidelity & Deposit, \$300,000; United States Fidelity & Guaranty, \$425,000; New Amsterdam Casualty, \$50,000; Indemnity Insurance Company of North America, \$250,000; American Surety, \$200,000; Hartford Accident & Indemnity, \$100,000; Fireman's Fund Indemnity, \$25,000; Aetna Casualty & Surety, \$50,000; Fidelity & Casualty, \$60,000; United States Guarantee, \$25,000; National Surety, \$465,000 and Public Indemnity, \$50,000.

### Abright Made General Manager

DALLAS, July 26.—J. H. Abright, who has been with the Commercial and Metropolitan Casualty in Dallas for several years as casualty underwriter, has resigned to become vice-president and general manager of the Traders & General of Dallas.

### Twin Loss Is Paid

C. W. Weisz of A. F. Shaw & Co., Chicago, reports that a "loss" under a twin insurance policy has just been paid by London Lloyds to a young man in a town near Chicago. At the first of this year, when an addition to this young man's family was in prospect, the matter of twin insurance came to his attention. On his wife's side there had been twins and also in his grandmother's family there were two sets of twins. Therefore he bought a \$500 policy and the proceeds are now being enjoyed by the hospital, doctors and nurses.

Mr. Weisz finds that of the some 2,000,000 births in the United States last year, about 44,000 were twins. This is slightly less than the figures for the past several years.

### Baldwin on Economy Board

George L. Baldwin, of the Bisbee-Baldwin Corporation, Jacksonville, Fla., general agents of the Fidelity & Deposit, has been selected as one of a national committee of 12 outstanding business men of the country to cooperate with the secretary of commerce in plans for the reorganization of that department in conformity with the economy plans of President Roosevelt.

Mr. Baldwin, who is the only insurance man on the committee, will serve with such outstanding business men as Harry A. Wheeler, Chicago; John H. Fahey, Boston; Henry I. Harriman, president of the United States Chamber of Commerce; Gerard Swope of the General Electric, Alfred P. Sloan of General Motors, Frederick J. Koster, San Francisco, and Alexander Legge of International Harvester.

### Matthews C. of C. Speaker

NEWARK, July 26.—John A. Matthews, general counsel in New Jersey for the General Accident, was the principal speaker at the mid-year meeting of the Bergen county chamber of commerce today on "Relation Between Insurance Frauds and Rising Premium Payments."

## Western & Southern Annex



Newly-acquired home office building of the Western & Southern Indemnity and the Western & Southern Fire in Cincinnati. It is located at 8th & Sycamore streets and is known as the Western & Southern annex. The Western & Southern Life building is located at 4th street and Broadway.

## ACCIDENT AND HEALTH FIELD

### Gets Out Low Priced Policy

**Continental Casualty Is Issuing a \$10 Premium Contract Covering All Automobile Accidents**

The Continental Casualty has gotten out a new \$10 automobile accident policy. It has been featuring its \$15 policy. The \$10 policy does not have as liberal a medical reimbursement feature. The companies in experimenting with these special automobile policies have discovered that the \$10 premium form is the most popular from a sales standpoint. Agents find that there is a ready market for such a contract because of the frequency of automobile accidents. The people read about these accidents every day, hear about them, their friends or relatives are involved in them and altogether there is a fear in the mind of the public regarding the possibility of injury due to automobiles.

There is no business for the man who cannot boss himself.

### Federal's Three New Policies

**Issues "New Standard" Accident, Disability and Special Disability Contracts**

The Federal Life of Chicago at the annual convention of the Federal Life and Inner Circle Clubs announced three new accident and health contracts, in a series known as "new standard." Two of these, a disability policy and accident contract, are in line with contracts brought out by the other members of the Bureau of Personal Accident & Health Underwriters. The third is a special disability policy issued only with 14 days' exclusion period. The benefits in most respects are identical, the contracts paying principal sum for loss of life, 200 weeks for loss of both hands or both feet, or sight of both eyes, or one hand and one foot, or either hand or foot and sight of one eye; 100 weeks for either hand or foot and 65 weeks for sight of one eye. It pays not exceeding 52 consecutive weeks for total loss of time and 26 weeks'

partial loss. It pays double indemnity, has a 50 percent accumulation clause, hospital, surgical and/or graduate nurse indemnity.

The special new standard disability contract on the hospital and/or graduate nurse indemnity pays 100 percent of the single weekly indemnity, commencing the first day of hospital confinement or nurse attendance, instead of 50 percent, this benefit not exceeding 20 weeks.

The new standard accident policy carries a rate of \$25 for class AA, for \$5,000 principal sum and \$25 weekly indemnity. The rates for \$5,000 principal sum and \$25 weekly on the disability contract are, paying from first day, ages 16-49, \$65; ages 50-54 inclusive, \$55; with a waiting period \$57 and \$73 respectively; 14 days excepted, \$53 and \$67 respectively; 30 days excepted, \$45 and \$58 respectively.

The special new standard disability on class AA for \$5,000 principal sum and \$25 weekly indemnity has a rate of \$62.50. This is issued for men only, ages 15-49 inclusive.

### Joins Massachusetts Bonding

R. W. Abbott, who resigned recently as superintendent of the accident and health department of the Maryland

Casualty's Chicago branch office, has been appointed superintendent of the accident and health division of the Massachusetts Bonding branch in that city by Manager Ogden Davidson.

Mr. Abbott had been with the Maryland in Chicago for nearly seven years and prior to that was for seven years with the Pacific Mutual Life in its accident and health claim department. He served as president of the Accident & Health Insurance Club of Chicago last year.

### See an Upturn in Business

**Accident and Health Production Has Shown an Improvement in Recent Weeks**

Salesmen dealing largely with accident and health insurance find that business is picking up, due largely to the fact that some people who dropped their policies are able to take on the obligation again. There has been more encouragement in the accident and health field in recent weeks than for a long time previous. The decrease in accident and health premiums was due almost entirely to economic conditions because people did not have the money to keep up their policies. There was no thought in mind that they did not need this protection. They cut off their insurance as they did with many necessities. People found it necessary to pare down in every direction and they reduced not only their accident and health insurance but other lines.

### Most Adjustments Are Made

Companies writing health and accident insurance find that there is some improvement in the business. The bureau companies that readjusted their rates and have had more or less change in policies getting to a standard basis, were confronted with a real problem in addition to the natural falling off in business. The agents were disturbed because of the higher rates and in many cases they were not able to renew their business. However, these various adjustments have been made and agents are finding some of their old policyholders coming back.

### New Department in Operation

All of the records of the Midland Casualty of Milwaukee and the accident and health department of the American Bankers of Jacksonville, Ill., which were recently taken over by the Great Northern Life, have now been installed in the executive offices of that company in the Westminster building, Chicago. The newly organized monthly premium department, in charge of Vice-President John Patterson, formerly president of the Midland, and his son, Kenneth Patterson, has been established on the seventh floor of that building.

Vice-President Patterson has been spending considerable time on the road since the merger became effective, contacting the former American Bankers agency force. To take care of the American Bankers business in states where it was not previously licensed, the Great Northern has entered Tennessee, Georgia and the District of Columbia and has made application for license in North Carolina.

### Carbon Monoxide Decision

The Iowa supreme court, in Lamar vs. Iowa State Traveling Men's Association has held that death caused by fumes coming from the exhaust pipe of an automobile constitutes death caused by gas and the insurer is relieved of liability because it comes within the death from gas exclusion of the policy.

Lamar contended that death was caused by a combination of gases and not by a single gas.

The court held that regardless of this difference of theory, the death was under the exception contemplated by the pol-

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E. G. TRIMBLE, President

icy, because the insured died as the result of inhaling gas, as it is defined in its popular and ordinary sense. The average man in common and popular speech, the court held, would understand gas to be a collection or combination of gases as well as a single gas.

### Reorganize Old Equity, St. Paul

ST. PAUL, July 26.—A group of prominent St. Paul men have taken over the Old Equity of this city and in addition to writing health and accident plan to add a low priced life policy. The company was organized about two years ago to sell a low priced accident and health policy.

C. H. Pearson has been made president; G. F. Van Slyck, vice-president and treasurer in general charge of the business. C. H. Ellingson will handle the general agency. He was one of the organizers of the North Star Mutual Benefit Association. Offices are at 824 New York building.

### Medical Contract Held Insurance

KANSAS CITY, MO., July 26.—The contract medical service being offered by the Steuben Health Clinic here is insurance, according to an opinion from the Missouri attorney general's office.

The clinic is not licensed by the insurance department and Superintendent O'Malley said that "we will, of course, demand it cease its operations," if the contract were held to come within the insurance laws.

Assistant Attorney General Lamb said that by the "issuance, sale and delivery of the contract . . . the Steuben Health Clinic would be engaged in the insurance business. The obvious purpose of the contract . . . is to indemnify, protect and save the member from the heavy expense entailed in the services and operations by physicians and surgeons, and the cost of treatment and attention in hospitals."

### Will Meet in Chicago

The International Federation of Commercial Travelers Insurance Organizations will hold its annual convention at the Edgewater Beach hotel in Chicago Sept. 19-21. John S. Whittemore of the Commercial Travelers Eastern Accident, Boston, secretary of the federation, is now arranging the program for the meeting.

Albert Rudesheim, formerly general agent for the Farmers & Bankers Life in Colorado, has been made general agent for the Northwestern Life & Accident at Spokane, Wash.

## FIDELITY AND SURETY NEWS

### More Premium Is Secured

**Surety Companies Profit by Additional Amount That Is Allowed on Wages**

Surety companies are getting some additional premium on federal contract bonds where the contractor in his bid figured on paying labor 25 cents an hour. The federal government has set 35 cents an hour as the minimum. In case of contracts running to the federal government, if the wages are less than 35 cents an hour the government agrees to pay the difference. When contracts were closed before July 1, there were various prices made based on labor. After July 1, a contractor must regard 35 cents as the minimum. However, the government having established 35 cents as the minimum does not desire such work to continue at less than that amount even if the contract was closed before July 1. Inasmuch, therefore, as additional income is thus received from

the government the surety companies collect an additional premium.

### Protest Gasoline Bond Rules

MADISON, WIS., July 26.—Wisconsin bulk gasoline dealers have filed a protest with Commissioner Mortensen on rates and limitations imposed by surety companies for bonds which dealers are required to furnish the state to secure payment of the gasoline tax on gasoline held in storage.

The companies are charging \$20 per \$1,000 for the bond and are also demanding that applicants for bonds file a statement showing fluid assets of 10 times the amount of the bond desired. The gasoline men declare this is virtually prohibitive.

## Workmen's Compensation

### Self-Insurers Seeking Relief

**May Arrange Conference with Labor Department on Reserves—Report Many Abandoning Plan**

NEW YORK, July 26.—Members of the Self-Insurers Association of New York have been advised that an early conference with the department of labor may be arranged to consider the question of additional reserve deposits. Industrial Commissioner Perkins, before resigning to become Secretary of Labor in Washington, threw a bombshell into the ranks of self-insurers by directing them to provide a system of reserves to protect to maturity all obligations incurred or to be incurred under their plan for self-insurance of compensation claims. Each self-insurer is required to keep on deposit with the labor bureau bonds sufficient to secure disclosed liability, with a margin of safety for exposure and for underestimated or undisclosed liability. Self-insurers are now required to create and to maintain a fund sufficient to cover any liability in excess of present deposits which may be created in event of a catastrophe or other accident involving a large number of casualties or serious injury cases. Many self-insurers have already complied with this requirement. Others, however, are reported to have been seriously embarrassed by finding extreme steps necessary to make the deposit of additional security required by the labor department.

Many large brokerage interests handling fire, marine and other classes of insurance of firms which are self-insurers for workmen's compensation only are reported to be taking advantage of the unrest among many self-insurers created by the demands of the industrial commissioner and to have lessened the number of self-insuring interests by gaining this business for regular carriers.

### Oklahoma Fund's Applications

OKLAHOMA CITY, July 26.—A large number of applications for compensation insurance has been received by the newly created state fund. Chester Napps, secretary of the state industrial commission, is in temporary charge.

### Contingent Contracts Barred

LINCOLN, NEB., July 26.—Compensation Commissioner Matthews has issued a general warning that he will not permit attorneys to collect fees on a percentage basis, even though injured workers have contracted to make such

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payment. He says he will ask the attorney general to intervene where an attempt is being made to defraud employees. In two instances recently he discovered that attorneys were to be paid 50 percent in each case for all amounts recovered. In other cases attorneys had sought to enforce percentage contracts where the courts, on appeals, had ordered payment of specific sums for attorney fees.

### New York Compensation Figures

A survey of compensation experience in New York since the state compensation law went into effect July 1, 1914, has been completed by the New York department and will be incorporated in the annual report of Superintendent Van Schaick to the legislature.

Since July 1, 1914, compensation premiums earned in New York state have been about \$737,000,000 and losses incurred amounted to about \$479,500,000. The loss ratio is thus about 5 percent in excess of the contemplated figure upon which rates are based.

In 1932, companies licensed in New York state, had earned compensation premiums country-wide of about \$126,000,000 and losses incurred were in excess of \$87,000,000. Expenses in excess of \$52,000,000 were incurred. Thus the net underwriting loss of all carriers was 10.8 percent of earned premiums.

### Louisiana Relief Work Ruling

NEW ORLEANS, July 26.—All political subdivisions of the state will be required, effective August 1, to pay the cost of workmen's compensation insurance for all workers assigned to relief projects. The Louisiana emergency administration will carry the insurance and has ordered the Louisiana highway commission, parishes, municipalities and other political subdivisions to deposit with the relief administration sufficient sums to cover the estimated cost of the insurance.

### Plan Minnesota Revision

ST. PAUL, July 26.—The Minnesota rating bureau is preparing for a revision of compensation rates in Minnesota. The new rates have not yet been drafted but are expected to be filed with the compensation insurance board in the near future.

### West Virginians Hold Convention

(CONTINUED FROM PAGE 5)

companies would cut down the insurance on all risks 25 percent, said Mr. Sims, the losses would be cut to normal.

#### Talk by Commissioner Sims

Mr. Sims stated the insurance department in exercising its authority does not aim to be unduly harsh but where abuses do exist on the part of a company or agent, the infraction will be dealt with firmly and vigorously.

He said that agents have been too zealous to write a large volume of premiums and have not done proper selection. They are still valuing insurance on buildings at war time prices. The insuring public pays the bill in the last analysis and Mr. Sims appealed to the agents to cooperate in reducing the amount of insurance on questionable risks. He referred to the credit situation saying that many agencies are too lenient in collecting premiums. They permit too much time to elapse before payment is made and in many cases do not secure anything for the insurance up to the time it is canceled. This amounts to carrying free insurance and often results in heavy losses. Such losses are charged to the cost of the business and the policyholders pay the freight.

Mr. Sims announced that his department would insist on a standard casualty policy and this must include an automatic cancellation for nonpayment of premiums. This was received with much enthusiasm and a vote of confidence was passed in behalf of the West Virginia department.

K. H. Bair of Greensburg, Pa., former president of the Pennsylvania Association of Insurance Agents, urged support of the trade associations as stressed by President Roosevelt, calling attention to their accomplishments. He said he was uncertain whether there would be an insurance code, but the National association is in touch with the situation to protect the agents' interests if such action is taken.

He urged West Virginia agents to lead the way in adopting the automatic cancellation clause for standard policies being prepared for adoption at the insurance commissioner's request. He congratulated the agents in having an experienced insurance man as insurance commissioner. E. V. King, manager West Virginia inspection bureau, also talked.

The meeting closed with the election of C. L. Haeberlin of Beckley as president. F. R. Bell of Charleston, national councillor, in his report viewed with alarm the movement on part of the casualty companies to have the national government relieve them of carrying compensation insurance. He said that this report seemed to be authentic and he predicted that it would be a dangerous move as it would invite the government to enter into other insurance lines.

#### Message from Tompkins

H. E. Tompkins, president West Virginia traffic safety conference, sent a communication which was read calling attention to the reduction in number of accidents owing to the successful functioning of his organization. He said that owing to lack of funds it was not able to carry on the work as heretofore.



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Burglary  
Public  
Liability  
Compensation  
Accident and Health  
Insurance  
and  
Fidelity and Surety  
Bonds

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Surplus  
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Policyholders  
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Ohio Casualty's attractive rates, added to the company's strong financial position, its wide experience in this field, and its reputation for prompt service both from the underwriting and claim standpoint, are helping O. C. agents to get a big share of this business.

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fore. He urged the agents to get back of the movement and try to rehabilitate it.

B. C. Taylor, branch manager of the United States Fidelity & Guaranty, in his talk said 82 percent of the automobile liability insurance is written in stock companies.

### Justice Reviews Activities

Harlan Justice, deputy insurance commissioner, who was formerly secretary of the West Virginia association, reviewed the activities of his department. He conducted an open forum, answering a number of questions.

Dr. A. E. Hardy, secretary of the West Virginia Plow & Feed Dealers Association, gave a talk. At one of the sessions attention was called to the fact that West Virginia charges higher public liability rates than surrounding states. Continual increases brought continuous losses in business, this going to companies charging lower rates. Some members advocated reducing all rates 50 percent and at the same time cutting down the overhead. It was predicted that this would put the business on a substantial basis and it would bring it back to bureau companies.

R. P. DeVan of Charleston, former state and national association president, was elected a life member. The other only life member is Charles R. Bell of Charleston, who is also a former state and national president.

A special committee will be appointed to work through various chambers of commerce with a view of educating the public on the necessity of the state insuring its property.

Chairman C. W. Evans of the resolutions committee reported the following resolutions which were unanimously adopted:

1. Your committee is agreed that this is an inopportune time to make any changes in schedule of dues, but recommends that the retiring president appoint a committee of three from the newly elected executive committee to work out a plan for employment of a full time secretary manager, this committee to report to the first meeting of the next executive committee their recommendations. If said recommendations are approved by the executive committee then they are authorized by this resolution to put the said proposed plan into effect. We suggest the vital importance of the proper classification of agents in the matter of dues in order that the proposed plan may be properly financed.

### Fire Prevention Memorial

2. We earnestly recommend a continuation of fire prevention activities among our membership looking to a special program throughout the state during national fire prevention week.

3. We commend the conference committee for opposing the rate increase as proposed by the West Virginia Fire Underwriter's Association for unprotected property, for we believe that the end sought by the companies can be better accomplished by more careful inspection and underwriting by both agents and companies.

4. We approve of the incorporation of a reasonable automatic cancellation clause in all fire and casualty policies.

5. We heartily commend the special committee for its work with the committee of the West Virginia Fire Underwriter's Association during the past year in reducing the number of agency appointments of one cut-rate company from 46 agents to 12, and the elimination of one bank agency. It is urged that this work be continued during the next year.

### Chaos in Auto Field

6. We deplore the chaotic condition now prevailing in the automobile insurance business whereby the public is being sold various forms of mutual and other policies purporting to give the same class of protection as furnished by the standard stock companies, and we commend our insurance department for its efforts to correct this condition. We further commend the insurance de-

## INSURANCE STOCK QUOTATIONS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business July 25

Stock	Par	Share	Div. per	Bid	Asked
Aetna Cas. ....	10	1.60	48	50	
Aetna Fire ....	10	1.60	31	33	
Aetna Life ....	10	...	24	26	
Amer. Alliance ..	10	1.00	15	16	
American, N. J. .	2.50	.50	8 1/2	9 1/2	
Amer. Surety ....	25	...	26	27 1/2	
Automobile, Conn.	10	1.40	20	22	
Boston ....	100	16.00	450	470	
Carolina ....	10	.50	14	16	
City of N. Y. ....	100	2.50	120	130	
Continental As. .	10	2.00	25	28	
Continental Cas. .	5	...	14	15	
Continental Ins. .	2.50	1.20	29	31	
Fidel.-Phenix ....	2.50	1.20	29	30	
Fireman's Fund. .	5	3.00	54	55	
Fireman's F. Ind. .	10	...	20	23	
Firemen's ....	5	...	5 1/2	6 1/2	
Franklin Fire ...	5	1.00	16 1/2	18	
Glens Falls ....	10	1.60	27	30	
Globe & Rutgers .	25	...	45	55	
Great Amer. Ind. .	1	...	5	7	
Great American. .	5	1.00	16	18	
Hanover ....	10	1.60	26	28	
Harmonia ....	10	.50	14	16	
Hartford Fire ...	10	2.00	44	46	
Hartford St. B. .	10	1.60	48	50	
Home, N. Y. ....	5	1.00	19 1/2	21	
Home F. & M. ....	10	2.00	27 1/2	30	
Ins. Co. of N. A. .	10	2.00	40	44	
Maryland Cas. .	2	...	3	4	
Mass. Bonding. .	25	...	20	23	
National Cas. ....	10	...	7	8	
National Fire ...	10	2.00	45	47	
National Liberty .	2	.10	5	6	
National Union. .	20	...	35	40	
New Amst. Cas. .	5	1.20	14	15	
New Brunswick. .	10	.50	14	16	
North River ....	2.50	.60	16	17	
N. W. National. .	25	.50	75	79	
Occidental ....	10	...	17	20	
Pacific Mutual. .	10	2.00	25	28	
Phoenix, Conn. .	10	2.00	54	57	
Prov. Wash. ....	10	.80	24	26	
Sprgfd. F. & M. .	25	4.50	80	82	
St. Paul F. & M. .	25	6.00	120	125	
Sun Life ....	100	...	430	490	
Travelers ....	100	16.00	450	470	
U. S. Fire ....	4	1.20	31	33	
U. S. Fid. & G. .	2	...	4	5	
Westchester ....	2.50	1.00	19	21	

partment for its efforts to prevent violation of the anti-discrimination law which is now being done by certain casualty companies in writing privately owned automobiles of employees at their employer's fleet rates, and this association pledges its hearty cooperation in furnishing the insurance department information as to such violations.

7. Recognizing the large place which insurance fills in all lines of business, and its marked importance to the general public, we express it as the sentiment of this association that no individual should be licensed to represent any company doing business in this state until he has demonstrated his fitness for this business to the licensing authority, and his willingness to further qualify himself for the service by uniting with an approved association of agents.

### Fitzpatrick Joins National Surety

L. F. Fitzpatrick, who has been vice-president of the Kenny Agency of New York City, has resigned to become associated with President Vincent Cullen of the National Surety, being located at the metropolitan office where Mr. Cullen makes his headquarters. He was formerly vice-president, secretary and agency director of the Maryland Motor Car, which was affiliated with the United States Fidelity & Guaranty. In 1921 he became vice-president of the Kenny agency.

### Radcliffe Regional Director

First Vice-president G. L. Radcliffe of the Fidelity & Deposit has been appointed regional director of the \$3,300,000 public works fund voted by the federal government for enterprises in various sections of the country to promote employment. He will have charge of Tennessee, Kentucky, West Virginia, Maryland, Delaware, Virginia and North Carolina. Mr. Radcliffe was formerly secretary of state for Maryland.



## NEWS OF THE COMPANIES

### Extreme Liquidity Is Shown

**Standard Surety & Casualty, at Mid-Year, Had Cash Resources to Cover All Outstanding Obligations**

The Standard Surety & Casualty as of June 30 possessed cash resources of \$2,169,570, which more than cover all outstanding obligations, current and deferred, according to announcement of President F. G. Morris. The Standard Surety has been an outstanding example of liquidity during the depression years.

Mr. Morris states that while, for publication purposes, it is necessary to value securities in accordance with the requirements of the New York department, the Standard Surety & Casualty nevertheless carries a so-called contingent reserve which adjusts its surplus to an actual market valuation basis as of June 30. Net surplus thus reflected is \$1,379,014, which together with paid in capital of \$1,500,000 provides a surplus to policyholders of \$2,879,014.

Mr. Morris states that net premium writings for the first six months of this year were 23 percent greater than for the same period last year. The company had a combined loss ratio of 44 percent on an earned basis.

### License Coast Reciprocal; Many Companies Projected

SAN FRANCISCO, July 26.—The Crown Indemnity Association of this city, one of the numerous companies and associations now being organized in California, has been licensed by Commissioner Mitchell. It is a reciprocal, organized to write liability and automobile lines, with the Crown Underwriters, Ltd., as attorney-in-fact. W. A. Rafael, former examiner with the California department, is president of the attorney-in-fact, which has posted its \$50,000 bond with the department. The law also requires that it must have at least \$50,000 cash assets before it may commence operations.

#### Other Companies Proposed

Other new surety and casualty companies projected, in addition to the Angelus Indemnity of Los Angeles, which was licensed two weeks ago, are the Olympic Assurance, Los Angeles; First National Surety, San Francisco; Mission Surety, Los Angeles, which has been granted a permit to sell \$1,000,000 capital stock with a par value of \$100, and two reciprocals, the Cosmopolitan Casualty Association of San Francisco and the Motor Transportation Indemnity Exchange, Los Angeles.

### Suit Filed Asking Receiver for Manufacturers Casualty

Action has been brought in the common pleas court in Philadelphia asking for an injunction, pending final hearing on an application for appointment of a receiver for the Manufacturers Casualty of Philadelphia, to restrain the company and its employees from permitting discrimination, rebating or accepting liability without charge. The action was brought by C. B. Milligan, a stockholder of the company and former vice-president.

Milligan requests that after a final hearing a receiver be appointed to take possession of the company and that the officers be directed to make a full discovery of the matters complained of.

R. B. Dutt, Jr., president of the Manufacturers Casualty, stated that the company can prove that every contract has been in accordance with the insurance laws in all particulars. "The bill in

equity for the appointment of a receiver," he stated, "which has been filed by a discharged employee, as he admits in the bill, in our opinion is without foundation."

Mr. Dutt stated that the company will file an answer which will fully meet all the allegations and vindicate the management.

The Manufacturers Casualty was started in 1915 and in 1920 the Manufacturers Fire was organized. As of Dec. 31, 1932, the company reported \$5,290,675 assets; \$504,727 premium reserve; \$1,344,439 claim reserve; \$1,299,290 premiums written; \$963,827 losses incurred and \$357,553 expenses incurred.

### Fidelity & Casualty Shows Large Increase in Assets

The Fidelity & Casualty of the America Fore group in its semi-annual statement shows assets of \$38,167,624, which is an increase of about \$3,500,000. This includes bonds and stocks \$29,826,020,

cash \$1,812,434 and premiums less than 90 days \$5,849,148.

Premium reserve amounts to \$11,677,710, an increase of about \$800,000. Claim reserve amounts to \$12,567,619, contingency reserve \$4,900,000 capital \$2,250,000 and net surplus \$4,331,357.

### J. J. Wagner Is Receiver

DES MOINES, July 26.—J. J. Wagner of Des Moines has been appointed receiver of the Southern Surety of Iowa, succeeding Commissioner Clark, who was discharged at his own request by Federal Judge Dewey.

Virtually all of the work yet to be done in connection with the receivership is concerned with real estate holdings. Mr. Wagner is manager of the Southern Surety building here and has acted as appraiser for several insurance companies.

All insurance claims of creditors have been adjudicated, an 8 percent dividend has been paid on claims allowed and an inventory has been filed.

In 1928 the Southern Surety of New York took over the Iowa company, but before the latter could be dissolved, the New York company went into receivership. Later 200 suits in 26 states were filed against the Iowa company which

was forced into receivership. Of the \$2,500,000 in claims filed, only about \$170,000 were allowed.

Mr. Wagner will go to California to investigate claims amounting to \$42,000, most of which are involved in litigation. The court ordered the receiver to investigate these before making any settlement.

### New Michigan Receiver Named

LANSING, MICH., July 26.—A rehearing has been denied by the Michigan supreme court in the case involving the Michigan receivership for the Southern Surety, thus affirming the Wayne county (Detroit) circuit court's jurisdiction and excluding the Ingham county receivership which had been actively administered by Ralph M. Wade, second deputy commissioner. The high court some weeks ago found the Ingham appointment, despite the fact that it was on application of the commissioner and for the benefit of all Michigan claimants, invalid because the actual choice of a receiver was made a few hours later than that of the Detroit court, which had acted on the basis of a single claimant's petition. The Wayne county court had appointed the Equitable Trust Company, Detroit, as receiver but due

## WHERE EXPERIENCE COUNTS

**I**N no other business, perhaps, is experience more necessary for success than in the surety business. Successful surety underwriters are made, not born. And they are made, not by reading books, but by daily contacts over a period of years with the intricate problems that are continually arising in the surety business.

Judged on the basis of experience, the F&D's staff of underwriters ranks exceptionally high. Six have been with the Company between 30 and 40 years; nine between 25 and 30 years; ten between 20 and 25 years; thirteen between 15 and 20 years; twenty-four between 10 and 15 years; thirty between 5 and 10 years.

The accumulated experience of the F&D's underwriters is a guarantee of prompt, authoritative action on any bonding proposition. It also is assurance that no proposition will be turned down if there is the remotest possibility of making it an acceptable risk. In countless cases, risks which at first appeared hopeless have been whipped into underwritable shape by the F&D's experts, thereby saving premiums for the Company and commissions for the submitting agents.

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**AUTOMOBILE INSURANCE** with attractive selling features which make it easy to keep sold including preferred rates to careful and cautious drivers.

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to the fact that the trust company is in receivership, Walter Schweikart, Detroit lawyer, has now been designated.

### Central Mutual Expanding

The Central Mutual of Chicago has recently been licensed in three additional states, Oklahoma, Michigan and Iowa, and is now operating in eight states in the middle western territory.

The first six months the company wrote more than \$400,000 automobile premiums, as compared with \$300,000 for all of 1932. The company is enlarging its home office quarters, moving the claim department to the 12th floor, 11 South La Salle street, which permits expansion of the underwriting department. The June 30 statement shows in excess of \$100,000 cash surplus. Harold Shlensky, president, has announced a 10 percent salary increase to all employees.

### Held to Be an Insurer

The Pennsylvania supreme court has held that the National Realty Valuation Corporation, formerly the Fidelity Land Value Assurance Company, is engaged in the insurance business. That company is incorporated in Delaware for the purpose of engaging in the real estate business and was so authorized in Pennsylvania. It is not authorized in Pennsylvania to operate as an insurance company.

The avowed purpose of the Fidelity Land Value Company is, according to the court, to eliminate the risk of depreciation, to safeguard against loss, to avoid any risk to the principal. The event specifically contemplated is depreciation in value of certain land below the price paid. The court held that this is insurance and not a mere obligation to buy 10 years after date if the holder desires to sell.

### Reports on Capital City Surety

Superintendent Van Schaick has issued a second report on the status of the defunct Capital City Surety of New York. A motion to confirm the report will be heard in court Aug. 3.

The **Liberty Mutual Indemnity**, Portsmouth, O., has been incorporated to write automobile liability, disability, boiler, occupancy and other insurance. H. M. Allen is one of the incorporators.

## PERSONALS

Registrations at the world fair service and information bureau sponsored by the Continental Casualty and Continental Assurance of Chicago now exceed 6,000, with 41 states and two foreign countries represented. The largest number of registrants has been from California with Texas and New York next.

Francis Murphy, formerly chief underwriter for the Hoffmann-Footman Agency, Kansas City, and for several years special agent for the Columbia Casualty and Ocean Accident, has been named chief clerk of the Missouri insurance department.

Mrs. Pearl Talbot, wife of I. J. Talbot, Kansas manager for the National Surety, is critically ill in a Kansas City hospital.

### Indianapolis Golf Winners

At the golf tournament of the Casualty & Surety Club of Indianapolis, Freeman Davis, branch manager Travelers, turned in the best card with low gross of 72. Other prize winners were J. Shotwell, Aetna Life; William Porter, Glens Falls; H. C. Wolff, E. E. Pursley, New Amsterdam Casualty; T. J. Seiner, Otto Janus Agency, and Cecil Bevis, Globe Indemnity.

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### You Receive These 21 Lessons

1. The opportunity and need for selling property insurance.
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3. Basis of fire insurance.
4. What the agent and insured should know about the standard fire insurance policy.
5. Fitting the fire policy form to the individual risk.
6. Obligations of the insured under the policy contract.
7. Loss adjustments.
8. Rating schedules and fire prevention.
9. Competition with other kinds of insurance companies.
10. Loss due to interruption of business (use and occupancy).
11. Rents, leasehold and profits insurance.
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13. Windstorm insurance.
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21. Principles of insurance salesmanship.

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Real salesmanship in the fire insurance business is rare. Among the hosts of men licensed by the state to write insurance there is a limited number who know how to deal with anything but the most simple situation and problems. Trained and resourceful agents who can give their clients sound advice and expert service stand out in sharp relief. The way is wide open for the agent trained in salesmanship.

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### Answers to These and Many Other Questions

Can insurable value ever exceed original cost?  
Should amount of insurance on machinery, furniture and fixtures be based on book value?

Would you cover boilers and engines under building or the contents?

Can building improvements made by a tenant be covered under his insurance?

How would you adjust partial loss on an oriental rug?

What hazards of occupancy can often be eliminated?

What is the "bridging the gap" clause?  
If the undamaged part of the contents of a burned building is removed to another place, is it still covered by insurance?

Is expense of boarding up broken windows usually paid for as a direct fire loss?

What is the least amount of property an insured must own in order to have a blanket form?

What is the difference between a blanket form and a general cover contract?

« »

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Your Course in Property Insurance is very interesting and instructive and I enjoyed it very much.  
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In looking over the first four lessons I realized how much there was in them benefiting the agent and I am satisfied I shall receive a great deal of good from them.  
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We find the text books just suited to our purposes and are well pleased with them and up to the present time have received parts one to ten inclusive.  
WM. F. KRAMER, Dayton, Ohio.

Assuring you that I am getting my money's worth out of this course, and hoping I am not too late in presenting my answers for correction, I am,  
CHARLES F. CARLISLE, Salt Lake City, Utah.

I trust I have succeeded in fully catching the intent of the lesson, and feel sure I have profited by it.  
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The "GLENS FALLS" is an old company—organized in 1849—and as part of our trade mark we use the slogan "OLD AND TRIED"; but on the other hand there are companies just as old and some older. ● The "GLENS FALLS" is in a strong financial position, but here again we are not the only frog in the puddle. We have company. ● Our loss paying record of past years and our ability to pay in the future has not been questioned—but, after all, this is nothing to feel chesty about—for any insurance company which is to live and prosper must live up to its contracts of insurance. ● The "GLENS FALLS INSURANCE COMPANY" writes Fire, Marine and allied lines and has representatives in practically every civilized country, but we are not unique in this respect. ● The

"GLENS FALLS GROUP" offers to its agents facilities to write almost all kinds of insurance—but then there are several groups of companies that do likewise. ● The "GLENS FALLS" is a good company—but we make no protestations that we are the best or that we are the only good one. There are others—plenty of them. ● We are not presenting this picture of the "GLENS FALLS" through false modesty. We have the healthy self respect which comes from knowledge of work well done and a constant desire to improve; but for the sake of the insurance business we do not care to represent ourselves as standing alone on a pedestal. We merely desire to be known as one of the numerous responsible and conscientious insurance companies which are the backbone of the business.



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THE GLENS FALLS MADE ITS BOW

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